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TODAY: SPORTS

Boeing to Buy McDonnell Douglas

By Brian Knowlton
International Herald Tribune

WASHINGTON — Boeing Co., the world's largest commercial aircraft maker, said Sunday it would buy its long-time rival McDonnell Douglas Corp. for $13.3 billion in stock, creating the world's largest integrated aerospace company.

The move will leave Airbus Industrie, the increasingly successful European consortium, battling head to head with only a single major competitor for the lion's share of the world's commercial airplane business.

It also will make Boeing a more potent competitor against Lockheed Martin Corp. and others in the military sector. McDonnell has long been an important supplier of combat aircraft not just to the United States but to many allied nations, from Britain and Italy to Malaysia and Japan.

Boeing, whose order books are overflowing, can draw on the surplus factory capacity of the long-fading McDonnell to make itself a more efficient producer. The companies will have a combined order backlog of about $100 billion.

Philip Condit, president and chief executive of Boeing, called the deal "an historic moment in aviation and aerospace." He will be chairman and chief executive officer of the combined company. Harry Stonecipher, chief executive of McDonnell Douglas, will be president and chief operating officer.

The combined company will be the "largest, strongest, broadest, most admired aerospace corporation in the world and by far the largest U.S. exporter," said John McDonnell, chairman of McDonnell Douglas. The companies said they anticipated no plant closures or layoffs because of the deal.

Boeing will give McDonnell Douglas shareholders 0.65 Boeing shares for each McDonnell Douglas share. That is equal to $62.89 per share — a huge premium to McDonnell's closing price of $52.

The company will continue to be known as Boeing: McDonnell Douglas will retain its name and operate as a major division. Two-thirds of the board members will come from Boeing, which will retain its Seattle headquarters.

The combined company will have estimated 1997 revenue in excess of $48 billion, with about $28 billion from Boeing and $20 billion from McDonnell Douglas.

Executives said discussions on a deal began three

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Signposts in Mideast: Sliding Toward Crisis

A Need to Demonstrate Power Seems to Rule Out Compromise

By Barton Gellman
Washington Post Service

JERUSALEM — Speaking at the West Bank settlement of Eli two weeks ago, Prime Minister Benjamin Netanyahu of Israel defined sovereignty as "having the power to say to those who would dictate to you that they cannot dictate to you, that you have the power to resist."

Israel, he said, has that power, and Palestinians must never acquire it. In those words he may have put his finger on what is going wrong with the historic experiment in compromise between the Israeli and Palestinian national dreams.

Mr. Netanyahu is determined to impose his will on several questions that the Palestinians see as central to their future, most notably the status of East Jerusalem and the expansion of Jewish settlements in the West Bank. The Palestinian leader, Yasser Arafat,

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wants to demonstrate that the Palestinians, sovereign or not, have ample "power to resist."

If a return to confrontation is coming, as many signs suggest, it has its roots in that basic difference of outlook. It is not only that their negotiations are in a deadlock, or that the six-month-old Netanyahu government shares no common view with Mr. Arafat on the ultimate peace they seek. The deeper question, and the one over which the two sides are struggling, is whether negotiations will decide the important questions at all.

The government's decision Friday on settlements in the West Bank raised that question again. The cabinet voted to transfer substantial resources to Jewish settlers and those who join them in the West Bank, designating new building in the occupied territories an "A-level national priority."

"We are interested in a peace agreement with the Palestinians," Michael Eitan, chief of the Likud party faction in Parliament, summarized his government's position. "But we demand that the Palestinian side understand that settlements will remain, building in the settlements will continue and there will be a place for settlements, for Palestinians and for peace."

There is little chance that Palestinians will accept their place in that scenario, or any of several other positions that Mr. Netanyahu's government now defines as absolute: no compromise on East Jerusalem, no return of Palestinian refugees from the wars that dislodged them and no independent Palestinian homeland.

The previous Labor Party government, under Prime Ministers Yitzhak Rabin and Shimon Peres, was willing to negotiate on all of those things and be creative about finessing them. Mr. Netanyahu appears to be more interested in drawing lines and making good on campaign promises to show the Palestinians who is boss.

"We are sliding quickly toward a crisis — more than a crisis, in fact," said Khalil Shikaki, who heads the Palestine Center for Research and Studies and is usually somewhat of an optimist about Israeli-Palestinian peace. Israel's insistence that the settlements are not negotiable, he said, "is convincing Palestinians that this is something they can do absolutely nothing about peacefully. If they give up violence, they have nothing else to fight settlement activities with."

Mr. Arafat's self-rule cabinet, meeting in Gaza City, responded to the new Israeli policy on settlements with a call for "the masses everywhere to firmly confront with all possible means the Israeli settlement aggression in order to defend the land."

The last such throwing down of gauntlets was in September, when Mr. Netanyahu unilaterally opened a Jerusalem tunnel running alongside Temple Mount, a site central to Islam and Judaism alike. It was seen, and intended to be, as a declaration of Israel's sovereignty over the holy city.

Young Palestinians responded with rock-throwing demonstrations. Israeli soldiers fired on the demonstrators. Palestinian policemen fired at the Israeli soldiers, and four days of street combat left more than 70 dead.

The tunnel is still open at both ends, but few Israelis are willing to argue that it was worth the cost: an Arab

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Nati Harnik/The Associated Press

A Palestinian, hired to excavate ancient sites, awaiting the clearing of a site Sunday in the expansion of a settlement in the West Bank.

Airbus Faces Tough Fight As Rival Adds To Its Arsenal

By Barry James
International Herald Tribune

PARIS — The takeover of McDonnell Douglas Corp. by Boeing Co. leaves Boeing with greater clout to fend off the increasingly successful sales onslaught of Europe's Airbus Industrie consortium, its only global rival.

Airbus executives reportedly are concerned that the acquisition will give Boeing the resources and power to become an even tougher competitor.

Airlines are cash-rich once again and are finally upgrading their fleets after a long period of recession. This has put manufacturing capacity at a premium, and both Airbus and Boeing have huge backlogs of orders after sales of hundreds of aircraft to USAir and American Airlines, respectively.

Industry sources said Boeing would face a capacity crunch in the next several years as hundreds of firm orders become due, and McDonnell's underused production facilities would help it meet the demand.

McDonnell Douglas was the world's largest civilian aircraft manufacturer at the dawn of the jet age, but it failed to match Boeing in all segments of the market, and inexorably lost market share.

Airbus learned the lesson, and decided early in its 25-year history to challenge the American manufacturers in every section of the market for commercial aircraft greater than 100-seat capacity.

It has managed to do this in every category other than the jumbo class, where Boeing has a monopoly with the 747. But Airbus is working on a superjumbo capable of carrying between 500 and 800 passengers.

Boeing, in reply, is proposing an enlarged and modernized version of the 747 with a similar capacity, but Airbus officials say they are hopeful that airlines will choose not to buy an aircraft that was essentially designed more than a quarter of a century ago. Boeing has yet to obtain a launch customer for the plane.

The quality of aircraft aside, Airbus's strongest competitive advantage is that the airlines will always be reluctant to allow Boeing to form a global monopoly.

Airbus executives had been half expecting Boeing eventually to swallow McDonnell, industry sources said. The surprise was that it came so quickly. Chairman John McDonnell of McDonnell, a member of one of its founding families, acknowledged that the broad outlines of such an arrangement had

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Anja Niedringhaus/Agence France-Presse

BELGRADE PROTEST — A boy in traditional Serbian hat making a gesture of nationalism in an anti-government protest on Sunday. A court ordered a review of a municipal vote. Page 7.

U.S. Strikes Insurance Trade Deal

Japan Agrees to Widen Access to Its Markets

By Sheryl WuDunn
New York Times Service

TOKYO — American and Japanese negotiators hammered out a final agreement Sunday on greater access to the Japanese insurance market, ending a protracted trade dispute just hours before the midnight deadline.

American negotiators worked into the predawn hours, poring over a last-minute Japanese proposal on liberalizing the $341 billion insurance market, the largest outside of the United States.

The deal averts the threat of trade sanctions and at least for now eliminates what has been a long-standing thorn in bilateral economic relations.

"Taken together, these measures represent fundamental change in the Japanese insurance market, making it more open and competitive," the U.S. Embassy said Sunday in a statement announcing the agreement.

Prime Minister Ryutaro Hashimoto has made deregulation and financial reform a centerpiece of his new administration. Though liberalizing mainstream insurance businesses is likely to hurt some of the weaker Japanese insurance companies, the move toward opening up markets dovetails with Mr. Hashimoto's promises to the public.

"I feel relieved," Mr. Hashimoto told reporters after a basic agreement had been announced.

Though the two sides ended up striking a deal, the tensions between them surfaced until the very end. When Japan's finance minister announced a basic agreement Saturday night, American officials, caught by surprise, said that negotiations were still under way.

Moreover, the two sides issued somewhat different versions of the agreement, and the American statement was more vague than the Japanese version of the deal. Both, however, were sketchy.

Ira Shapiro, the American trade negotiator who worked out the final deal, canceled a press conference that had been scheduled for Sunday to discuss the agreement, and few details of the accord were disclosed Sunday .

Foreign insurers have captured only 3.58 percent of the overall Japanese insurance market. Most of that business is in the tiny "third sector," made up of small and foreign insurers offering specialty products for illness, accident, cancer treatment, nursing care and the like.

The mainstream businesses of life, auto and casualty insurance are dom-

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The White House Hotel

Clinton Re-election Donors Spend the Night

By Michael Weisskopf and Charles R. Babcock
Washington Post Service

WASHINGTON — Anybody who wants to know how the Democratic Party raked in a record $180 million in the last election might check the guest registry of 1600 Pennsylvania Ave. for July 27, 1995.

As Steven Rattner, a Wall Street dealmaker, and his wife checked out of the White House that day, fresh from a night in the Lincoln Bedroom, Leonard Barrack, a Philadelphia lawyer, and his wife were arriving with their suitcases. Directly across the hall in the Queens' Bedroom, Alan Levanthal, a Boston developer, and his wife were staying for one night.

That evening, all three families went to the East Room for a state dinner with the president and Hillary Rodham Clinton.

Together, the men and their firms contributed about $350,000 to the Democratic Party over the last two years and raised even more money from others. Their visit to the White House was part of the inducement and the reward.

The guest list for that day and others underlines a political phenomenon that has even Republican masters of political fund-raising shaking their heads in awe: Bill Clinton has personally raised campaign cash like no other figure in modern history.

President Clinton now says that the fund-raising business is too time-consuming and the system too vulnerable to problems like the improper foreign contributions at the center of the dispute over Democratic fund-raising. But fa-

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Bucking the Trend, Norway's Welfare State Flourishes

By Youssef M. Ibrahim
New York Times Service

OSLO — Suffer from rheumatism? If you are Norwegian, the state will send you to the Canary Islands for a month of therapy, all expenses paid.

Husband walked out, leaving children to raise? Not to worry. As a single mother under the generous Norwegian welfare system, you will get special subsidies for the children and paid leave from your job so you can stay home and rear them.

Take Dr. Sidsel Kreyberg, a 42-year-old pathologist. When her husband left her with two young children in 1987, she was immediately embraced by the state.

For nearly eight years, until both children reached age 10, the state paid her a pension. Other support systems helped, including free day care, subsidized housing and vacations, and free medical and dental care.

The government also footed the bill for Dr. Kreyberg to fulfill her old ambition of getting a doctorate in epidemiology at the University of Oslo. Now she is off welfare and has a better-paying job than before she went on.

The other day, she stood in her living room overlooking a vista of snow-covered forests and the Oslo Fjord. She beamed at her daughter, Karoline, 12, and son, Karsten, 10, and proclaimed, "Look at the result."

The entire world, it seems, is dismantling the welfare state, privatizing the public sector, downsizing government, reducing subsidies and cutting social programs that were once sacrosanct.

From Europe to Africa, across most of Latin America and even in the once fabulously wealthy Arab oil countries, governments plagued by soaring budget deficits are everywhere embracing the free-market gospel preached in the 1980s by President Ronald Reagan and Prime Minister Margaret Thatcher of Britain.

Everywhere, that is, except Norway.

Buoyed by an unending gush of oil revenue and guided by a national commitment to egalitarianism, Norway's 4.35 million people are fattening the mother of all welfare states.

Even business people — including those who export pulp, paper, lumber, chemicals, fertilizers, aluminum and transport machinery to the globalizing world of dog-eat-dog capitalism — join in their na-

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	18 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	360 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Dm
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Is This What Women Had in Mind?

By Steven A. Holmes
New York Times Service

WASHINGTON — Three years from the end of the millennium, and more than a century after Ibsen's "Doll's House" presaged women's modern emancipation, the question still vexes: How much power do women really wield?

This year, American women put on the most stunning display of political

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clout since they won suffrage 76 years ago. More women than ever registered and voted, and on the strength of their votes President Bill Clinton was re-elected. The growling voice of the angry white man was drowned out by the softer tone of the soccer mom, and issues like family leave and day care were forced into the political debate while abortion was forced out.

Politics is just the start. Women are increasingly courted by designers of homes and makers of cars. Purveyors of popular culture, from books to movies, are struggling to appeal to what they think are feminine tastes.

Prime-time television is full of shows

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AGENDA

Confusion Mars Gabon Elections

LIBREVILLE, Gabon (Reuters) — Electoral confusion reigned Sunday during voting for a new Parliament.

The elections were held under a deal to end political violence stemming from President Omar Bongo's disputed 1993 re-election.

Serious delays in the distribution of voting materials occurred in and around the capital, Libreville. In some cases security forces refused to distribute the materials without specific orders. Witnesses said that some election lists had been posted late or did not list all candidates.

At least three polling places in Libreville failed to open by 7 P.M., the official end of voting.

Despite EU Accord, a Political Fight Looms

The European Union's agreement on a budget stability pact has given almost irreversible momentum to the single currency planned for 1999, but the heated debate over the pact's details signaled the start of a political struggle over the euro.

The tension was evident at the bloc's summit meeting in Dublin in the reaction of senior French and Italian officials. (Page 15)

Changes to Jet Tanks

After investigators said static electricity on a fuel line could have led the tank of TWA Flight 800 to explode, a U.S. agency has urged modifying fuel tanks on thousands of airliners to prevent vapors from massing. (Page 2)

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In Plains / **Sunday School**

The Gospels, According to Jimmy Carter

By Kevin Sack
New York Times Service

PLAINS, Georgia — As he strolled into the simple sanctuary of Maranatha Baptist Church, the Bible-toting Sunday school teacher was greeted by instant applause and an explosion of flashbulbs.

"Good morning everybody," Jimmy Carter said with a smile.

"Good morning," his 250 pupils responded in unison.

Visitors outnumbered church members by at least 5 to 1. They hailed from Clyde, Ohio, and Bedford, Massachusetts, and Norman, Oklahoma. Charles and Phyllis Ricardi, their car loaded with sacks of Florida oranges, stopped by on their way back to New Hampshire from a family reunion in Pensacola. Kathy Summerford, a high school history teacher from Columbus, Georgia, brought a busload of Russian exchange students.

"We want to expose them to as much of American life as we can and that includes the accessibility of American officials," Ms. Summerford said. "We want them to understand that the people who run our government are our neighbors and friends, not some far-off person."

These weekly sessions — Mr. Carter teaches the adult class whenever he is in town, nearly three Sundays out of every four — are indeed remarkable for the ability of regular folks to walk in, grab a seat and exchange views with the 39th president of the United States. But they also are remarkable for what Mr. Carter has to say.

By the end of the hourlong class, he not only had directed a discussion about the life of John the Baptist, the subject of the day's scriptural reading, but also had used St. John's story as the basis for a blistering critique of fundamentalism, both in Mr. Carter's own Southern Baptist church and in other denominations.

He also had offered his opinion that Jesus never would have approved of either abortion or the death penalty, asserted his personal belief in the virgin birth while dismissing the notion that God created the earth in six days and even told a joke about the first Democrat to succeed him in the Oval Office, Bill Clinton.

"By the way," he said, interrupting a discourse about the subordination of women in the Southern Baptist church, "there was a headline in The Atlanta Constitution — 'Clinton Taps Woman.' They were talking about his choice for secretary of state, but some people thought it involved Paula Jones."

Mr. Carter, 72, has been teaching Sunday school since he was a young navy submariner and, while president, he taught occasionally at Washington's First Baptist Church.

The former president's faith has always been integral to his political persona, perhaps more than with any other recent president, and it has guided his post-presidential work in peacemaking and ministering to the sick and the poor. Now he has written a book, grounded in the Sunday school lessons he has taught since leaving Washington, about his own spirituality and his search for religious meaning.

The book, "Living Faith" (Times Books, 1996), has won attention for Mr. Carter's confession that his marriage to Rosalynn Carter has at times been so troubled that it survived only because of their shared religious faith.

But it is most notable as a memoir of one man's lifelong spiritual journey, from his unquestioning Bible Belt upbringing here in southwest Georgia to his loss of faith after he was defeated by Lester Maddox in the 1966 gubernatorial election to his current devotion to Christian works, like housebuilding for the organization Habitat for Humanity.



Suzanne DeChillo/The New York Times

Jimmy Carter teaching Sunday school to a class of about 250, most of them visitors to Plains, Georgia, the home of the former president.

"Throughout these three score and 10 years," Mr. Carter wrote, "my faith as a Christian has provided the necessary stability in my life. Come to think of it, stability is not exactly the right word because to have faith in something is an inducement not to dormancy but to action. To me, faith is not just a noun but also a verb."

Maranatha Baptist Church was founded in a pecan grove on the outskirts of Plains in 1977, the first year of Mr. Carter's presidency, after a much-publicized split with the Plains Baptist Church. One reason for the split was the resistance of some members of the Plains Baptist Church to welcoming black worshipers. The issue became a political embarrassment for Mr. Carter.

Today, Maranatha has only 125 members. But Mr. Carter's Sunday school class has become something of a cottage industry, attracting 7,632 visitors last year. When the visitors line up outside after services to be photographed with Mr. Carter and his wife, some whisper to him that they have not attended church since childhood.

The visitors make a significant difference in filling the Sunday collection plate, according to the Reverend Daniel Ariail, and the church helps support its missionaries in Togo through the sale of audiotapes of Mr. Carter's lessons. Mr. Ariail, meanwhile, is marketing his own spiritual biography of Mr. Carter, "The Carpenter's Apprentice" (Harper Collins, 1996).

Like many parishioners, Mr. Carter has dressed casually for church, wearing gray slacks, a plaid jacket and a striped shirt left unbuttoned at the neck and the collar points. His teaching style is equally informal, with an emphasis on class participation.

"What do we know about John the Baptist, anyone?" he began, as his students started calling out answers. "He baptized Jesus. He was Jesus's cousin. O.K., very good. He lived in the desert. Right. Lost his head over a dancing girl. Indirectly, that's true. He was a Nazarite. Who knows what a Nazarite was?"

Sometimes the answers do not come quickly enough. "How should we relate to John the Baptist? Anyone?" Mr. Carter asked, only to be greeted by silence. "Do you see any lessons in this Scripture for you and me? Anyone?" More silence. "Have we wasted our time?"

Before long, Mr. Carter, who plants himself firmly in the moderate minority of the Southern Baptist Convention, had drifted into a full-throated critique of Christian fundamentalism and its attitudes toward lesbians and gay men, women and Jews.

On homosexuality, he said: "I'm not endorsing it. It makes me uncomfortable. But to single it out just because we don't do it and make a crusade out of it, to me, is not Christian."

On the view of some fundamentalists that those who do not accept Jesus are condemned to hell: "I cannot imagine an innocent person being deprived of God's eternal blessing because they don't have a chance to accept Christ."

On Jews and God: "I was really grieved when I was president to hear the president of the Southern Baptist Convention saying that God doesn't hear the prayer of a Jew. To me, that was embarrassing."

In an interview after church, Mr. Carter said he "could easily accept a new moderate Baptist denomination" but said he would not recommend such a move because it inevitably would lead to splits in churches like Maranatha.

He also said that he experienced his greatest loss of faith after losing the gubernatorial race to Mr. Maddox, a staunch segregationist. "I thought that I was doing God's will," he said. "I didn't believe that I had a holy crusade or that sort of thing, but I thought that the time had come in Georgia to end racism and discrimination and I thought that the personification of that was Lester Maddox. He won. I lost. And I felt abandoned by God."

Mr. Carter said he regained his faith with the help of his sister, Ruth Carter Stapleton, a prominent evangelist who died in 1983.

While he described himself as "a loyal Southern Baptist," he said he remained deeply disturbed by the denomination's fundamentalist bent, which he characterized as a profound misreading of the teachings of Christ.

Despite his enduring faith, Mr. Carter said he has never developed an explanation for why disaster strikes the innocent and faithful, as when a child is hit by a car.

"Maybe the basic answer is the excessive elevation in importance of a human life, the length of it, in the eyes of God," he said. "That's not an easy thing for us to accept. I mean, there's a contradiction of what we inherently want — long life, healthy life, successful life measured in material things — on the one hand, and what Christ preached as important things in life — humility, self-sacrifice, the well-being of others, service, compassion, forgiveness, love."

Ever the Sunday school teacher, Mr. Carter continued: "One of the most significant verses in my mind is Paul's response when he was asked, I think by the Corinthians, 'What are the things in life that never change?' And Paul says, 'The things you cannot see.'

"It's kind of a mysterious answer, but he sure wasn't talking about a house or a bank account or getting your name in the newspapers. He was talking about the things that Christ preached."

Changes Are Sought In Airliner Fuel Tanks

Static Buildup Linked to TWA 800 Crash

By Don Phillips
and Serge F. Kovaleski
Washington Post Service

WASHINGTON — The National Transportation Safety Board has "urgently" recommended modifying the center fuel tanks on thousands of airliners to prevent a massing of explosive vapors. The warning came after investigators determined that a buildup of static electricity on a fuel line could have caused the tank of TWA Flight 800 to explode.

Bernard Loeb, director of the board's aviation safety division, said static electricity, while "by no means certain" to be the source of the fuel tank ignition, was "a very possible source."

The statement brought to the surface a simmering feud with the FBI. James Kallstrom, an FBI assistant director, said with apparent irritation: "We are not going to express opinions, and we shouldn't. We are conducting a criminal investigation, and it is not prudent or wise for us to state opinions about what or what did not happen to this airplane."

The Boeing 747 exploded in flames July 17, sending 230 people to their deaths in the Atlantic Ocean off the coast of Long Island. At first, a bomb was assumed to be the cause of the crash, but investigators have leaned more toward a mechanical cause as the investigation has dragged on.

The board sent a letter to the Federal Aviation Administration containing several recommendations to avoid conditions that might allow an explosive vapor to form in the tank. The letter did not specifically mention static electricity but concentrated on ways to avoid an explosion if there were a spark in the tank.

A spokesman for the aviation agency said the letter had not yet arrived but added, "We agree with 90 percent of the board's urgent recommendations. When we receive the letter, we'll review it very carefully."

[British airlines and aviation authorities sought Saturday to reassure passengers about flying on 747s, Reuters reported from London.

[A Civil Aviation Authority said 747s had "been flying since that accident and there has been no repeat, so we would say that it is safe to fly in these aircraft."

[British Airways, which has about 60 747s in its fleet, was also reassuring.]

The board listed several possible short-term operational changes to prevent the buildup of explosive vapors, including methods to hold down heat buildup in the center tank, such as adding cooler fuel just before takeoff. It also recommended that the TWA flight manual be changed to emphasize to pilots how much heat can be produced by air-conditioning machinery near fuel tanks.

But in the long term, the board said, the Federal Aviation Administration should consider basic design changes, such as systems that would pump inert gases into the fuel tank and insulation around heat-producing equipment.

The recommendations cover the roughly 1,000 747 jets operating worldwide and other airliners with center fuel tanks that have a nearby heat source. The vast majority of commercial airliners probably would be covered by the proposals. A Boeing spokesman said all its jetliners had center fuel tanks except the new 777, but he could not say immediately how many were surrounded by heat sources.

Investigators knew shortly after the TWA crash that fumes in the nearly empty center tank had exploded violently, but they have not been able to determine a source of ignition.

The explosion theory outlined by investigators involves a lengthy chain of events and conditions, all of which would have to combine in just the right way to cause an explosion. The tank would have to be the right temperature at the right internal pressure, the fuel pipe would have to be in use, and it would have to be damaged in such a way that a buildup of static electricity would cause a spark.

The fuel pipe involved is used to move fuel from the wing tanks on one side of the plane to engines on the other side, a routine practice as pilots manage fuel flow from a 747's five main tanks during a flight. Only the center fuel tank, situated in the fuselage under passenger seats, is affected by the recommendations. Wing tanks are not affected because there are no sources of heat around them.

The fuel pipe passes through the top of the center fuel tank — in the area where vapors would form — but does not carry fuel to or from that tank. When a liquid passes through any pipe — including water pipes in houses — static electricity tends to form on the outside of the pipe. Normally, pipes are grounded in some fashion, and the electric charge simply dissipates. On aircraft, this is usually accomplished by connecting the pipes to the frame with wires, causing the static electricity to dissipate into the atmosphere through small wires attached to the rear of wing and tail surfaces.

But the fuel line that passes through the center tank is not one solid pipe but a number of shorter aluminum sections that are screwed together, with rubber O-rings to prevent fuel spillage. These pipes have been known to come loose at the joint, separating the metal sections slightly. If a section becomes isolated and the static charge has no ground, an electrical arc could occur across the gap. In addition, a fuel leak spewing into vapors already in the tank could form a static charge.

Mr. Loeb said transportation board investigators were examining crash wreckage to determine whether electrical arcing occurred on Flight 800. Investigators already have determined that the other events likely happened.

The fuel tank was apparently hot enough because the jet sat in the sun at a New York airport for several hours with its air conditioning running and producing heat in the fuel tank area.

2d Iraqi Group Claims Attack On Saddam Son

Reuters

BEIRUT — A previously unknown Iraqi opposition group has taken responsibility for the assassination attempt on President Saddam Hussein's eldest son, Udai.

"The Iraq Salvation Movement is the group behind the attack on Udai," a man told an international news agency in Beirut by telephone over the weekend. It was the second group to take responsibility for the Thursday attack in Baghdad.

"Our information says the attack may have led to his death or severe injury as one of the attackers who returned safely saw blood covering Udai's face," said the man, who spoke in Arabic. Udai was reported to be in a Baghdad hospital but without serious wounds.

The caller said the Iraq Salvation Movement was a front that included several small opposition groups working inside Iraq. The Tehran-based Iraqi opposition group, the Islamic Dawa Party, said Friday that it was behind the attempt.

DUTY FREE ADVISORY

Via Abu Dhabi or Al Ain

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Abu Dhabi Airport Duty Free

TRAVEL UPDATE

Madrid Airport Ends Bad Week

MADRID — Madrid airport returned to business as usual on Sunday after a week in which an electrical fire Tuesday, a strike Wednesday and a plane's skidding off a runway Thursday combined to cause record disruption.

"Everything has returned to normal now," a Barajas airport official said, "and there have been no incidents since Thursday. There are no cancellations today and only small delays. *(Reuters)*

Kenya Controllers Back to Work

NAIROBI — The government and striking air traffic controllers reached an agreement to end a week of delays and air traffic snarls that threatened to paralyze air travel in Kenya, newspapers reported Sunday.

The controllers, who were demanding pay increases and better working conditions, returned to work late Saturday after the head of the Kenyan Civil Service promised to evaluate their salaries and benefits. *(AP)*

Pilots of All Nippon Airways staged a partial 24-hour walkout Sunday to oppose a new wage system at Japan's top domestic airline, forcing cancellation of 148 of the 490 scheduled flights, a company spokesman said. *(AP)*

Russian air traffic controllers at Chelyabinsk, a regional center in the southern Ural Mountains, ended their strike Sunday after one day when a court ruled it illegal, the Itar-Tass press agency reported. *(AP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bahrain, Bangladesh, Czech Republic, Kazakhstan, South Africa.
TUESDAY: Bhutan.
WEDNESDAY: Niger.
SATURDAY: Sao Tome.

Sources: J.P. Morgan, Reuters, Bloomberg.

Food Poisoning Kills 12th Scot

The Associated Press

GLASGOW — A 12th person has died in a mass outbreak of food poisoning believed caused by cooked meat infected with the E. coli bacteria, Scottish health officials said Sunday.

Some 400 people across southern Scotland have symptoms of food poisoning, they said. Around 30 are being treated in hospital.

The 12th victim, an 83-year-old woman from Wishaw, a town near Glasgow, died Saturday.

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WEATHER

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	21/70	15/59 r	20/68	14/57 sh
Amsterdam	7/44	3/37 c	7/44	3/37 pc
Ankara	7/44	0/32 sh	4/39	-3/27 pc
Athens	17/62	10/50 pc	15/59	9/48 pc
Barcelona	11/52	9/48 pc	18/61	11/52 c
Belgrade	4/39	-1/31 pc	9/48	2/35 pc
Berlin	2/35	-1/31 pc	4/39	2/35 sn
Brussels	7/44	3/37 c	6/43	4/39 pc
Budapest	4/39	0/32 pc	4/39	3/37 c
Copenhagen	0/32	-2/29 pc	3/37	0/32 sn
Costa Del Sol	19/66	15/59 sh	20/68	15/59 c
Dublin	7/44	4/39 c	9/48	6/46 pc
Edinburgh	5/43	3/37 sh	7/44	3/37 c
Florence	12/53	5/41 pc	13/55	8/46 pc
Frankfurt	1/34	-3/29 pc	3/37	1/34 sn
Geneva	6/46	1/34 pc	7/44	7/44 r
Helsinki	-3/26	-7/20 sn	-4/25	-12/11 c
Istanbul	11/52	3/37 pc	9/48	6/43 pc
Las Palmas	24/75	22/71 c	28/79	21/70 c
Lisbon	18/64	13/55 c	18/64	12/53 r
London	6/46	3/37 sh	9/48	6/43 pc
Madrid	13/55	8/46 r	16/61	9/48 c
Mallorca	11/52	10/50 sh	17/62	13/55 pc
Milan	8/46	0/32 pc	7/44	6/43 r
Moscow	-6/22	-11/13 sn	-6/18	-11/18 sn
Munich	4/39	-1/31 pc	3/37	1/34 sh
Nice	14/57	7/44 pc	13/55	12/53 r
Oslo	-3/27	-7/20 pc	-6/24	-12/11 sn
Paris	6/43	1/34 pc	7/44	5/41 sh
Prague	3/35	-3/29 c	2/35	1/34 sn
Reykjavik	-4/25	-7/20 pc	0/32	-3/27 c
Rome	15/59	6/43 pc	15/59	8/46 pc
St. Petersburg	-6/22	-8/18 sn	-6/22	-11/13 sn
Stockholm	-3/27	-7/20 pc	-3/27	-10/15 c
Strasbourg	7/44	3/37 pc	7/44	5/41 sh
Tallinn	-6/22	-8/18 c	-10/15	-13/9 c
Venice	8/46	2/35 pc	8/46	6/41 c
Vienna	4/39	0/32 pc	4/39	3/37 c
Warsaw	-3/27	-7/20 pc	0/32	-1/31 c
Zurich	7/44	2/35 s	6/43	6/43 r

Middle East

Abu Dhabi	27/80	13/55 s	27/80	16/61 pc
Beirut	17/62	13/55 sh	19/66	13/55 pc
Cairo	23/73	10/50 s	23/73	11/52 s
Damascus	14/57	5/41 c	17/62	6/43 pc
Jerusalem	14/57	7/44 pc	15/59	7/44 pc
Luxor	26/79	6/43 s	27/80	7/44 s
Riyadh	23/73	9/48 s	24/75	11/52 s

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Hot · Heavy Rain · Heavy Snow

North America
A massive outbreak of arctic air will plunge into the midsection of the United States Tuesday and Wednesday. A widespread area of subfreezing temperatures should affect Texas by Thursday morning, while upslope snow affects the Canadian Rockies.

Europe
Dry and mild across much of western Europe Tuesday, including London, Paris and Amsterdam, then turning cooler with showers possible through Thursday. Seasonable and a bit unsettled across eastern Europe, while much of Russia, including Moscow, will be quite cold with some snow at times.

Asia
Dry but unseasonably cold weather is in store for northeast China, Mainchuria and both Koreas, including Beijing and Seoul, through Thursday. Mild in Tokyo Tuesday with a few showers, then turning noticeably colder. Seasonable in Hong Kong with some sunshine.

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	-5/24	-9/15 c	0/32	-3/27 sn
Atlanta	14/57	7/44 sh	12/53	4/39 c
Boston	4/39	2/35 pc	7/44	4/39 c
Chicago	2/35	-4/25 c	-1/31	-10/15 sn
Dallas	8/46	-1/31 r	9/43	-5/24 pc
Denver	0/32	-10/15 pc	-8/18	-24/-11 pc
Detroit	3/37	-3/27 sf	4/39	-4/25 sn
Honolulu	23/73	17/62 pc	27/80	18/64 pc
Houston	8/46	4/39 r	13/55	3/37 pc
Los Angeles	24/75	16/60 s	23/73	6/43 s
Miami	26/79	16/64 s	24/75	18/64 pc
Minneapolis	-4/25	-10/15 s	-9/15	-17/2 sn
Montreal	3/37	-5/24 sn	4/39	-1/31 pc
Nassau	24/75	18/61 pc	24/75	18/64 pc
New York	8/46	3/37 c	8/46	5/41 c
Orlando	24/75	13/55 pc	22/71	13/55 pc
Phoenix	20/68	8/43 s	21/70	4/39 s
San Fran.	17/62	8/47 s	16/61	5/41 s
Seattle	6/43	0/32 pc	6/43	-2/29 pc
Toronto	3/37	-4/25 sn	3/37	-1/31 pc
Vancouver	4/39	+1/31 s	3/37	-1/31 pc
Washington	9/48	3/37 c	11/52	4/39 c

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	31/88	24/75 t	33/91	23/73 pc
Bangkok	32/89	20/68 s	30/86	21/70 pc
Beijing	1/34	-10/15 pc	-2/29	-12/11 s
Bombay	32/89	21/70 pc	30/86	21/70 pc
Calcutta	26/79	11/52 s	25/77	12/53 s
Cheiang Mai	31/88	18/64 pc	32/89	19/64 pc
Colombo	29/84	23/73 t	31/88	23/73 t
Hanoi	27/80	19/66 pc	23/71	16/61 sh
Ho Chi Minh	33/91	22/71 pc	32/89	22/71 pc
Hong Kong	23/73	18/64 s	23/71	16/61 pc
Islamabad	23/73	3/37 s	23/71	6/43 s
Jakarta	30/86	24/75 t	30/86	23/73 c
Karachi	32/89	13/55 s	32/89	12/53 s
K. Lumpur	32/89	23/73 pc	31/88	23/73 t
K. Kinabalu	27/80	22/71 sh	27/80	21/70 c
Manila	31/88	21/70 s	30/86	21/70 sh
New Delhi	24/75	6/43 s	27/80	6/43 s
Phnom Penh	33/89	22/71 s	31/88	22/71 pc
Phuket	33/89	20/68 s	30/86	21/70 pc
Rangoon	31/88	20/68 pc	32/89	20/68 pc
Seoul	12/53	3/37 sn	8/46	-6/22 pc
Shanghai	10/50	2/35 sh	12/53	1/34 sh
Singapore	30/86	24/75 s	29/84	23/73 sh
Taipei	24/75	17/62 pc	23/71	16/61 pc
Tokyo	14/57	8/46 pc	14/57	10/50 r
Vientiane	29/79	20/68 pc	22/71	15/59 sh

Africa

Algiers	17/62	12/53 sh	18/64	12/53 r
Cape Town	27/80	18/64 pc	25/77	13/55 sh
Casablanca	21/70	14/57 c	24/75	14/57 pc
Nairobi	22/82	8/46 s	23/64	8/46 s
Lagos	31/88	23/73 s	31/88	23/73 s
Nairobi	28/82	13/55 pc	25/84	13/55 pc
Tunis	17/62	9/48 pc	18/64	10/50 pc

Latin America

Buenos Aires	34/93	19/66 s	34/75	18/61 pc
Caracas	33/89	24/75 pc	31/88	23/73 pc
Lima	23/73	17/62 pc	23/73	16/64 pc
Mexico City	20/68	6/43 pc	20/68	7/44 pc
Rio de Janeiro	28/82	23/71 t	29/84	22/71 t
Santiago	31/88	11/52 s	31/88	12/53 s

Oceania

Auckland	17/62	10/50 pc	18/64	13/55 pc
Sydney	29/84	23/73 pc	24/75	16/61 t

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THE AMERICAS

Trailing in Teamsters' Vote, Hoffa's Son Won't Concede

By Steven Greenhouse
New York Times Service

WASHINGTON — Holding a clear lead with more than 90 percent of the vote counted, Ron Carey, the president of the International Brotherhood of Teamsters, has declared victory in his bitterly fought contest against James P. Hoffa, son of the legendary teamsters' leader.

At a news conference at the union's headquarters, Mr. Carey said over the weekend that his main goals would be to continue battling corruption and to unite the 1.4 million-member union, which was long considered the nation's most mob-infested labor organization.

The union, the largest in American industry, has been riven by a campaign in which the two candidates called each other corrupt, incompetent, soft on management and fiscally irresponsible.

Mr. Carey, who was first elected in 1991, said: "This victory sends a message to every mob boss in America — our treasury, our pension funds will never, ever again be used by organized crime in the form of a piggy bank."

Mr. Hoffa's campaign managers maintained that their candidate still had a chance to win, once about 30,000 challenged ballots had been counted. But Carey campaign officials said their candidate's 17,000-vote lead was too large for Mr. Hoffa to overcome.

Union officials said that with 91 percent of the ballots tallied, Mr. Carey led with 214,118 votes in his bid for a second five-year term, or 52.1 percent, while Mr. Hoffa had 197,023, or 47.9 percent.

"Obviously, the numbers are not ultimately encouraging, but I still think it is a little to premature to declare absolute victory," said Richard Leebove, Mr. Hoffa's spokesman. "With 30,000 challenged ballots, it's still possible to overcome that margin."

About 500 temporary workers have been counting the 511,000 mail ballots since Tuesday under the supervision of Barbara Zack Quindel, a federally appointed election monitor, who will declare the official winner. The teamsters, the largest affiliate of the AFL-CIO, includes truck drivers, warehouse workers, garbage collectors, security guards, flight attendants and others.

In crisscrossing the country in two years of campaigning, Mr. Hoffa assailed Mr. Carey for letting the union's finances deteriorate and its membership decline. Mr. Hoffa, 51, a labor lawyer from Detroit, also asserted that the incumbent had negotiated bad contracts, by, for example, allowing trucking companies to ship more by rail.

Mr. Carey, 60, a former driver for United Parcel Service, said he had reversed the teamsters' membership decline by becoming more aggressive about organizing, having won representation elections among truck drivers for Overnite Transportation Co. as well as Pennsylvania state troopers.

He said that the Teamsters' membership rose last year for the first time in 15 years and that he had balanced the union's budget last year for the first time in 15 years. After Mr. Carey took office, the Teamsters had nearly slipped into bankruptcy, largely because there had been no dues increase to finance increased strike benefits.



Ron Carey, the Teamster president, declaring victory.

Bosnia Haunts CIA Nominee

Lake Admits His Silence on Arms Traffic Was Error

The Associated Press

WASHINGTON — Confirmation of Anthony Lake as CIA director remains uncertain, two key Republican senators said Sunday, despite his acknowledgment that he should have told Congress about Iranian arms sales to Bosnian Muslims two years ago.

Senator Richard Shelby, Republican of Alabama, who is likely to take over as chairman of the Senate Select Committee on Intelligence next month, called the Bosnia policy that Mr. Lake masterminded as President Bill Clinton's national security adviser "duplicitous" and said, "It crossed the line."

"It's too early to say what we will do with his nomination, but I think we've got to be fair and we've got to be searching and we've got to scrutinize this," Mr. Shelby said in an interview on ABC television.

Mr. Lake has begun contacting Senate leaders to say he now wishes he had told Congress about Mr. Clinton's decision to raise no objection to the 1994 Iranian arms shipment to Bosnia, a White House aide said Sunday.

The arms sale conflicted with the Clinton administration's public stance in support of a United Nations arms embargo. But the administration feared that without an infusion of weaponry, Bosnia might collapse under pressure from rebel Serbs.

Although Congress at the time was urging the administration to defy the UN embargo, congressional leaders were upset when they learned the arms came from Iran.

The White House chief of staff, Leon Panetta, echoed Mr. Lake's regret Sunday, yet defended the administration's actions as necessary at the time.

"It's always better if you work closely with those in Congress when you do these kinds of things," Mr. Panetta conceded on NBC. "Sometimes time allows that to happen; sometimes it doesn't. In this case, I don't think it did."

Mr. Shelby suggested the president might withdraw the nomination as public scrutiny of Mr. Lake intensifies. But the White House showed no signs of retreat.

Mr. Panetta expressed confidence that Mr. Lake would be confirmed by the Senate, along with the rest of Mr. Clinton's new national security team.

"Sure, he's going to face questions," Mr. Panetta said. "All of them will face questions, but I feel very confident he'll make it."

Senator Arlen Specter, Republican of Pennsylvania, the outgoing chairman of the intelligence committee, said the "serious questions" Mr. Lake faces also include why he did not immediately sell stocks in four energy companies in 1993, when the White House counsel's office told him they posed a possible conflict of interest.

According to Michael McCurry, the White House press secretary, Mr. Lake ordered his accountant to sell the securities and thought they had in fact been sold. Mr. Lake sold the stocks in 1995 when he realized he still owned them.

Mr. Lake's hearing is "very much up in the air," Mr. Specter said on CNN.

But Senator Bob Kerrey, Democrat of Nebraska, deputy chairman of the Senate intelligence panel, was optimistic about Mr. Lake's chances.

"I think he'll be confirmed," Mr. Kerrey said on the same program. "There are a lot of questions that need to be answered and I expect Tony Lake to be able to answer all of them."

A Chicago Crime Novelist's Mysterious Death

By Don Terry
New York Times Service

CHICAGO — High above the streets of the city and the sounds of children laughing and the Salvation Army bells ringing, a man's body dangled from a 14th-story window of an office building here a week ago. A noose was wrapped around the neck.

It was 11:50 A.M., and as Christmas shoppers in the center city went about their business below, the police hauled the body in out of the wind and the cold and went to work, trying to solve the mystery of a very public death.

The dead man was wearing a bulletproof vest. In his pockets were a pair of brass knuckles and $481.

The rope was tied to a steel desk inside the man's locked office, Room 1418. A pistol lay nearby.

To any of the officers with library cards, the dead man might have looked familiar. For years, his face had been on book jackets all over the world. He was Eugene (Guy) Izzi, 43, an award-winning crime novelist who wrote "The Take," "Invasions," "King of Hustlers" and other books about the dark side of this city he loved so much, from its killer gangsters to its killer winds.

"He was good," said Bill Brashler, a Chicago writer. "All of his dialogue, the actions of his characters were just natural. It wasn't something he got out of a library. He knew his turf. He probably knew it too well."

The police say Mr. Izzi's death appears to be a suicide. Off the record, they say, it could have been a publicity stunt gone wrong.

Mr. Izzi had a book coming out in a few months, which friends thought would be his comeback novel after some lean years and a nasty dispute with a publisher. And who knows, maybe hanging out a 14th-story window on a rope would have helped sales.

"Unless they have some evidence to back that up, they shouldn't say it," said one of Mr. Izzi's closest friends, Andrew Vachss, a New York City lawyer and crime novelist.

"That's pretty hurtful stuff," he said. "It's not enough to say he committed suicide. Now they want to say he committed suicide by accident for publicity. There are 8 million ways to get publicity without risking killing yourself."

There is also speculation about murder, with the novelist possibly having been killed by people he was researching for his next book.

Hugh Holton, a Chicago police lieutenant, crime novelist and president of the Midwest chapter of the Mystery Writers of America, is not part of the investigation, but he knew Mr. Izzi and said he did not think the writer was the type of person who would take his own life.

He also said he did not think that Mr. Izzi died in a publicity stunt.

Still, after 27 years on the force, Mr. Holton said, he had learned long ago that "anything is possible."

There is no official cause of death yet, but some of Mr. Izzi's friends and acquaintances said they could not believe that he would kill himself, especially with a book coming out.

They also said they could not believe that Mr. Izzi, who was married and had two teenage sons, would leave his children without their father. He bragged about those boys all the time. They were going to be better than their father, who dropped out of high school in the 10th grade and taught himself how to write.

"I don't see any reason for Guy to commit suicide," Mr. Vachss said, "and I can think of a thousand reasons why he wanted to live."

Neither Mr. Vachss nor the police would say much about the investigation, although Mr. Vachss hinted that he thought foul play was involved. "All this speculation could cause real harm to the investigation," he said.

Since Mr. Izzi was pulled in from the cold, the rumors and theories about his last days have been lying around like bullets in one of books. There have been newspaper reports that Mr. Izzi had recently been so afraid for his life that he moved his family into a hotel and slept in his office with a pistol.

According to the reports, Mr. Izzi had infiltrated an Indiana paramilitary group while doing research for a book and the members had become threatening. But it is hard for many people who ever met Mr. Izzi, who was over 6 feet tall (1.3 meters) and weighed more than 200 pounds (90 kilograms), to believe that someone walked into his office, wrapped a rope around his neck and threw him out of a window.

"This was a tough guy," Mr. Brashler said. "He was solid. He was in shape. He knew how to fight.

"I believe he committed suicide," Mr. Brashler said. "But he was not the type of guy you'd think would do that. A lot of things don't add up."

POLITICAL NOTES

Invitation's in the Mail – Not!

WASHINGTON — First the good news: Invitations for President Bill Clinton's second inauguration have now been mailed, and the big cream envelopes will arrive soon in mailboxes across the United States offering tickets to the glamorous three-day celebration.

Now the bad news: Unless you are connected, the chance of getting any of those tickets is remote. As in highly unlikely. Not impossible, but close.

The Presidential Inaugural Committee had the task of culling the invitation list from 1 million names to approximately 55,000. These lucky few — priority goes to top contributors and party workers — will receive the plum invitations, allowing them to purchase tickets for the celebrity-studded presidential gala on Jan. 19, for bleacher seats for the inaugural parade on Jan. 20 or for one of the 12 inaugural balls that night. *(WP)*

Speeding the Adoption Process

WASHINGTON — President Bill Clinton has ordered administration officials to find ways to double by 2002 the number of children adopted from foster homes and reduce the time that children languish in that system.

Mr. Clinton's call comes as Congress is working on overhauling legislation of adoption policies that promises to be one of the major debates in the next session.

"I can think of no better way to fulfill the promise of this season than to bring a child to a family and a family to a child," Mr. Clinton said Saturday in his weekly radio address from the Oval Office.

There are more than 450,000 children in the nation's foster care system, Mr. Clinton said, placed there because of abuse, neglect or for other reasons. Most eventually return to their homes, he said, but nearly 100,000 do not. "Those children wait far too long, typically three years or more, to find permanent homes," he said.

Mr. Clinton said his goal was to increase adoptions of foster children each year to 54,000 from 27,000. *(WP)*

Slippery Slope of the Potomac

WASHINGTON — President Bill Clinton slipped and fell on a slick concrete sidewalk Sunday morning while jogging along the banks of the Potomac River. A White House official said he was not injured.

Mr. Clinton was immediately helped to his feet by Secret Service agents and resumed running. *(AP)*

Quote/Unquote

Andrew Kohut, director of the Pew Research Center for the People and the Press, on the results of opinion polls during the presidential campaign: "The polls did a pretty good job. I would give the polls a grade of B. Most were within the margin of sampling error. But that is not as good as in 1992." *(NYT)*

AMERICAN TOPICS

Former Slave's Generosity Still Felt in an Ohio Town

The thoughtfulness of a man born in slavery still brightens the lives of widows at this time each year in the small Ohio town of Yellow Springs, The Los Angeles Times reports.

Wheeling Gaunt was born in 1812 on a tobacco plantation in Kentucky. Selling apples and blacking boots, he managed to save the $900 he needed to buy his freedom sometime in the 1840s.

Working tirelessly as a farm laborer and wagon driver, he then bought his wife's freedom for $500 and that of a male relative — records do not make clear whether this was a brother or son — for $700.

In 1862, he settled in Yellow Springs, the hometown of Antioch College. There he prospered. Shortly before his death in 1894, he asked the town to use proceeds from the rental of his property, once he was gone, to provide a yearly gift of 10 pounds (22 kilograms) of sugar and 10 pounds of flour to all local widows.

The tradition endures, though his land was turned into a public park, named for him, and the town now provides the money for the Widows Fund.

The widows pass on the gift, baking ginger cookies, jam cakes and lemon pies for churches, retirement homes, and the homeless.

Short Takes

Students at more than a dozen universities are working to develop robot helicopters, futuristic flying machines to replace human-operated craft in a variety of hazardous tasks, The Boston Globe reports. Guided by onboard computers, these contraptions could fight forest fires, keep watch on drug smugglers, monitor traffic jams, inspect power lines, spray crops or track lost people, and at a far lower cost than piloted copters.

In July, a team of students from the Boston area won a national competition with a 22-pound copter that piloted itself across a mock toxic waste dump and used symbol-recognition devices to identify and map five barrels on the ground.

Vanity license plates have become increasingly popular in most states, but does that mean that Americans are becoming more vain? The custom-lettered plates provide car owners a relatively cheap and often humorous way to make a statement about lifestyle (I M LATE) or (2 HECTIC), hobbies and interests (ICESK 8, owned by a figure skater, and C ME-RUN, by a marathon runner), or to promote their work (BUG OFF, owned by a pest-control company; I DO TAX, by an accountant, FLWR-PWR on a florist's truck).

But perhaps the ultimate in vanity plates was spotted recently in Bethesda, Maryland. It reads simply: MY-SELF.

International Herald Tribune

Away From Politics

• **The year's busiest day for the nation's mail handlers** is Monday, with volume expected to triple from normal, to 275 million cards and letters because of the holiday season. *(AP)*

• **A crowd rushing for Tickle Me Elmo dolls trampled a toy** department employee at a Wal-Mart in Fredericton, New Brunswick, sending the man to a hospital. *(AP)*

• **A man convicted of beating a trucker,** Reginald Denny, during the 1992 Los Angeles riots was sentenced to seven years in prison for violating parole only a month before it would have ended. Henry Keith Watson was one of four men charged in the televised assault that became a symbol of the riots. *(AP)*

• **Federal officials say they have broken up one of the** largest marijuana distribution rings operating along the Mexican border. The ring smuggled more than 100 tons of marijuana across the border in the last decade and sent it on to at least nine states, the government said. All but a handful of the 79 people named in the action have been arrested. *(NYT)*

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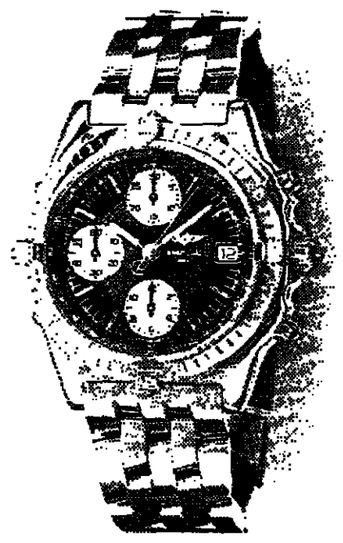
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INSTRUMENTS
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ASIA/PACIFIC

Heavy Taxes Sowing Unrest on China's Farms

By Patrick E. Tyler
New York Times Service

CHAXIWAN, China — In an unheated house here in Jiangxi Province, the sun streaked through chinks in the gray-tiled roof, illuminating a group of peasants who were busy producing evidence that the system designed to protect them from onerous taxes was a lie.

Two dozen of them had swarmed into the house, where several were talking at once, eager to make the point to a visitor that anyone who expected them to invest any more in the land to increase food production — a critical requirement if China is to feed itself in the future — must be crazy.

"Because the people's burden is so heavy, no one wants to work on the land — they all want to go to Guangzhou and find jobs," said Wan Bingxian, 56, one of 280 people who live in this hamlet 48 kilometers (30 miles) east of the provincial capital, Nanchang.

As China faces the staggering task of feeding 22 percent of the global population on 9 percent of the world's arable land, its 450 million peasant farmers seem to be in a surly and uncooperative mood.

After more than four decades of Communist rule that have witnessed disastrous experiments in collectivization, policy-induced famines and, finally, one of the longest runs ever of bumper harvests during the last two decades, China's peasantry is better off today than at any time in modern history.

But millions of rural Chinese still live on a precarious financial edge, burdened by taxes and arbitrary fees levied by local governments trying to finance schools, roads and, in some cases, corruption and waste.

The failure of China's nascent legal system to guarantee a farmer's right to the land he works and the paltry returns many get from their labor combine to discourage the long-term investment needed to boost production and meet the demands of China's population, which is expanding at the rate of 14 million a year.

As a result, although each year brings a new record harvest in China, per-capita grain output has reached a plateau.

The difficulty in making farming pay has discouraged millions of peasants from staying on the land and many have simply fled, leaving behind women and the elderly to till the soil, while the men seek prosperity in China's booming urban centers.

While this phenomenon has sent labor to new industries and cash back to poor villages, it has done little to solve the challenge facing Chinese agriculture.

Wan Zhonghua, a 31-year-old farmer here who moonlights as a tailor in Nanchang, explained why.

In one hand, he held up a government certificate stating that it is illegal for any official to extract taxes and other fees from him exceeding $35 a year. The certificate is called "The Farmer's Tax Burden Supervision and Monitoring Card" and was issued by the city government of Nanchang. All the farmers here have them.

And in the other hand, Mr. Wan held up a receipt dated from Aug. 12 showing that the same government had already collected $95 in fees and taxes from him for this year and, he added, there would be more to pay.

"They'll take another 20 percent of my income by the end of the year," he said, ruefully. It may not seem like a lot, but per-capita income here is barely $70 a year, Mr. Wan said, and so the burden is crushing.

"We sell our grain, but we don't get any money — it is taken by the government in taxes," he said. "The family is only left with some grain to eat for food and must go out to the city to earn some cash."

Why don't the farmers refuse to pay the excessive taxes, he was asked.

"Because the county officials will come and take our household goods or one of our pigs," he replied.

"We have no power," he said. And so the question of farmers' investing more in their land "doesn't really matter."

"We get so little income," he added, "we have no money to invest anyway."

In recent decades, the "miracle" of Chinese agriculture has been the country's ability to bring in an ever-expanding harvest to feed a population that has more than doubled since 1949 and will reach 1.3 billion by the end of the decade.

Modern fertilizers and pesticides made part of this miracle possible, but so did the reforms of Deng Xiaoping, China's paramount leader.

Beginning in 1979, Mr. Deng and a group of reformers in the Communist Party pushed local governments to break up giant farming communes and to allocate the land under a "household responsibility" system, where only part of a farmer's grain production went to the government as tax, and the rest could be sold by farmers for a profit.

But now new reforms are needed, a number of specialists say, in part to clarify farmers' rights and to answer the question: Who owns the land?

"Farmers have no feeling of security and this is a very bad situation at a time when we are trying to encourage their investment in the land, especially long-term investment," said Han Jun, an agricultural policy specialist at the Chinese Academy of Social Sciences.

Like many experts, he believes that a farmer's right to improve his land and then reap the benefits must be written into laws that can be enforced. Under current policy, the land belongs to local collectives, which have the authority to lease it to farmers in their area.



Paul Barker/Reuters

SEOUL PROTEST — Subway workers protesting a government labor plan to make it easier to dismiss workers.

Prince Warned Not to Return To Cambodia

The Associated Press

PHNOM PENH — Hun Sen, the second prime minister, warned Sunday that violence would erupt if opponents tried to protect the exiled half-brother of King Sihanouk when he returns to Cambodia.

"I have prepared 45 tanks to attack if any forces are deployed to protect" Prince Norodom Sirivudh, Mr. Hun Sen said in a speech broadcast on national radio. "The fighting will be at Phnom Penh's Pochentong airport."

Prince Sirivudh, the former secretary-general of the royalist Funcinpec party, was stripped of his parliamentary immunity and placed under house arrest a year ago after allegations that he was involved in a plot to kill Mr. Hun Sen.

In a deal brokered by the king, Prince Sirivudh was exiled to France and then convicted in absentia to 10 years imprisonment for illegal possession of weapons and criminal conspiracy.

Prince Sirivudh said last week that he intended to return to Phnom Penh in the next two months, even if it means imprisonment or death.

"Any plane that carries Sirivudh back to Cambodia will have a problem," said Mr. Hun Sen, adding that a rocket launcher was positioned at the airport.



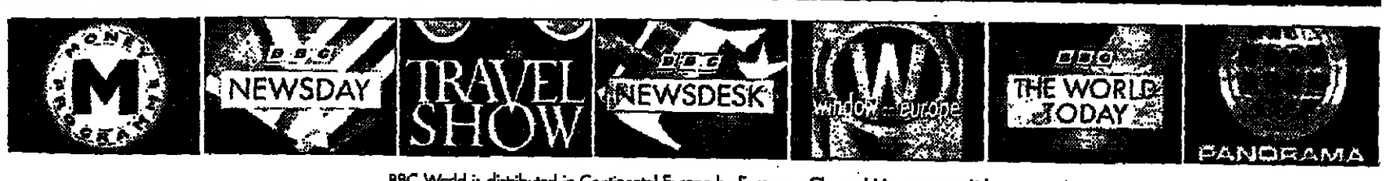
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BRIEFLY

Burma Sends Students Home

RANGOON — Heavy security around a downtown Rangoon medical school was lifted Sunday after the government sent nearly all students back to their homes in the country in a move to curb demonstrations.

Daw Aung San Suu Kyi, the opposition leader the government has accused of fomenting the recent unrest, was still confined to her home Sunday, disappointing about 200 of her followers who hoped she would appear on the streets and speak to them.

In the last week, students staged the largest street demonstrations since the nationwide democracy uprising of 1988. Medical University No. 1, where security was lifted Sunday, had been the site of several sit-ins during the last few days.

Burma's military government responded to the week-long demonstrations by closing most schools, arresting some students, sending students back home, blocking off roads and stationing tanks in downtown Rangoon. *(AP)*

Water Pact Assailed in Dhaka

DHAKA, Bangladesh — Bangladesh's main opposition party has denounced last week's treaty with India for sharing water of the Ganges River, saying it served only to protect Indian interests.

"It is an inequitable agreement," Abdul Mannan Bhuiyan, secretary-general of the Bangladesh Nationalist Party, said at a news conference. "The government has sold out the national interest by agreeing to the deal."

Prime Minister Hasina Wazed of Bangladesh and Prime Minister Deve Gowda of India signed the 30-year pact in New Delhi on Thursday, ending a decades-old dispute between the two neighbors.

The opposition leader warned that his party would mobilize public opinion against the deal and wage movement. Sheikh Hasina said on Friday the agreement would be placed before Parliament for ratification. *(Reuters)*

Moro Front Cited in Abduction

MANILA — Suspected Muslim rebels have demanded a ransom of nearly $400,000 for a kidnapped Filipino-Chinese businessman in the southern Philippines, the police said on Sunday.

Francisco Tan was picking up a granddaughter from school in Kabasalan, Zamboanga del Sur Province, on Dec. 11 when he was abducted. The police said the kidnappers were believed to be members of the Moro Islamic Liberation Front, an insurgent group fighting for an Islamic state on the southern islands.

Armed groups kidnapped 114 people, mostly businessmen or their relatives, around the country between January and September and collected 35 million pesos ($1.3 million) in ransom. *(Reuters)*

Maoris in New Zealand Cabinet

WELLINGTON — Three Maori ministers were chosen by Prime Minister Jim Bolger on Sunday in his cabinet for the newly formed National-New Zealand First coalition that he said would govern with greater fairness and compassion.

"The ministry is a bold reflection of the diversity in New Zealand," he said at a press conference. "The range of experience, age and ideas makes this the most representative executive in New Zealand's history."

Mr. Bolger said the new cabinet, in which three former ministers were dropped to make room for five New Zealand First cabinet slots, was a response to the demands of the new proportional representation system. New Zealand First is dominated by Maori members of Parliament.

But of the 20-member cabinet, only one — Jenny Shipley, minister for state services and state-owned enterprises — is a woman. "It's true we are light on women," Mr. Bolger said. *(Reuters)*

Seoul Plans Defense Drill

SEOUL — South Korean fighter jets plan to make rare flights over the country's capital on Monday as part of efforts to improve military readiness in case of an attack by North Korea, military officials said Sunday.

"The exercise has not been based on any specific situation, but is only one of routine military exercises," an official at the Joint Chiefs of Staff said by telephone.

The Yonhap news agency said that in the drill, four fighter jets would pose as North Korean intruders in a test of the capital's radar and other equipment. *(Reuters)*

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THE WORLD'S DAILY NEWSPAPER

EUROPE

Rigid Positions Ease Up In Turkish-Kurd War

Soldiers' Release Seems to Be a Signal

By Stephen Kinzer
New York Times Service

ISTANBUL — The recently negotiated release of six Turkish soldiers captured by Kurdish rebels appears to reflect at least the beginning of a change in thinking about a conflict that has seemed likely to drag on forever.

Until lately, the government and the rebels have insisted that their single goal is military victory and that no nonmilitary solution to the conflict is possible.

But in recent months, the rebel leader, Abdullah Ocalan, has been quoted as saying that he would settle for autonomy rather than full independence for Turkey's Kurdish region in the southeast.

He told a French newspaper that he had been contacted by Turkey's new prime minister, Necmettin Erbakan, but Mr. Erbakan has not acknowledged making any such overture.

Still, the prime minister has said he hopes to ease the terms of emergency rule under which much of the southeast is governed. Last week, the government was reportedly considering some form of amnesty for Kurdish prisoners.

Political and military leaders have resolutely refused to deal with the rebel Kurdish Workers Party, known as the PKK, for any purpose, including negotiating the release of prisoners.

A member of Parliament who traveled to the party's strongholds in northern Iraq three months ago to seek the release of prisoners was bitterly denounced and threatened with prosecution when he returned.

The politician, Fethullah Erbas, a member of the governing Welfare Party, was unsuccessful that time. But last week he went back to northern Iraq. This time he was successful, returning with six young men who had been held prisoner for more than a year.

"I have done my duty not in the name of any party, but as a citizen," he said, "and I have done it in spite of criticism from many quarters."

Among those who criticized Mr. Erbas was Yasar Okuyan, a leading member of Parliament from the opposition Motherland Party. "No one and no organization in Turkey should make deals with the PKK," Mr. Okuyan said. "The PKK is a murderous organization that kills our soldiers, our police officers and even our women and children. I violently object to this."

The government and the press, which covers the conflict according to unwritten rules laid down by the military, portray the Kurdish Workers Party as a terrorist organization financed principally by heroin smuggling. Police officials in several West European countries also believe that the PKK is heavily involved in drug trafficking. The party denies it.

On Tuesday, an Istanbul daily, Yeni Yuzyil, which says it has obtained secret documents related to the government's use of death squads to fight the rebels, published what it said was a report showing that in 1994, Tansu Ciller, then the prime minister, authorized a payment of more than $2 million to a Turkish gunman for an operation aimed at killing Mr. Ocalan, the rebel leader.

Last month, the gunman, Abdullah Catli, died along with a senior police official in a car crash that has set off a major scandal here.

Mrs. Ciller has not commented on the report.

Government leaders and Turkish journalists routinely refer to Kurdish Workers Party combatants as terrorists, and they described the six captured soldiers as hostages, carefully avoiding the use of the word "prisoner."

"They have an underlying reason for this," said the chairman of the Ankara-based Human Rights Association, Akin Birdal, who was part of the delegation that traveled to northern Iraq to arrange the soldiers' release. "If they accepted that the Turkish soldiers were POWs, then they would have to consider people who had fought for the other side as POWs as well, which would force them to act within the boundaries of international law."

Last week, the three negotiators met in Ankara and then traveled secretly to the Iraqi city of D'hok, where the prisoners' relatives had been camped out for weeks hoping for their release. There they met Kurdish Workers Party members, who brought them and the relatives to a camp near the Iraqi town of Amadiyah.

"The camp is established in rocky hills and mighty caves, resembling an eagle's lair," wrote a Turkish journalist who was present, adding:

"The beating of hearts seemed noisy enough to move the rocks around, when the commander of the camp told the families to come out of the tents as the soldiers had arrived. Then the soldiers were restored to their families. The scene at the gathering brought tears to everyone's eyes."



Yannis Behrakis/Reuters

A farmer sitting by a row of tractors blocking the road linking Athens and northern Greece Sunday.

Signs of Break Appear In Greek Farm Strike

Agence France-Presse

ATHENS — A strike by Greek farmers that has crippled the nation's economy for nearly three weeks appeared Sunday to be in its final phase with hopes of a settlement soon.

Theodor Tzoukatos, an adviser to Prime Minister Costas Simitis, predicted that the conflict would be settled this week.

Hard-line strikers in the Thessalian region in the center of Greece said they would hold out to the bitter end. But trade union sources said behind-the-scenes talks were in progress to end the dispute, and sharp divisions have occurred between Communist hard-liners and more moderate trade unionists.

The government has so far refused to meet the farmers' demands for a restructuring of debts, tax breaks and production incentives at an estimated cost of 1 trillion drachmas ($4.1 billion).

The farmers say the European Union is to blame for their situation.

George Kostoulas, 25, a cotton grower manning a barricade on the road crossing the central plain of Thessaly, said: "Half of us must disappear, because we are in Europe's way."

A tough government austerity budget is designed to enable Greece to participate in the European single currency by 2000 or 2001.

The hard-liners continued to block highways Sunday, including the Athens-Salonika expressway, but relaxed their blockade of the north-south rail connection.

Elsewhere, roadblocks have gradually disappeared since Thursday.

Truck traffic has begun to return to normal with the exception of that on the Patras-Athens expressway in the Peloponnisos region.

On Tuesday, Parliament is to debate the disputed budget that provoked the farmers' campaign.

Defense Minister Akis Tzohatzopoulos said the government was willing to begin a dialogue in depth with the farmers after the roadblocks had been removed.

The newspaper Eleftherotypia reported Sunday that the government was going to present the EU with a memorandum on agricultural policy seeking financial aid to farming to meet part of the farmers' demands.

Not Quite a Whole Euro

Agence France-Presse

PALMA, Majorca — Regional authorities in the Balearic Islands were dismayed to find that the Spanish archipelago was missing from the map of Europe that is to appear on the new single currency, the euro.

"The oversight may be funny, but it is a symbol of the traditional political indifference of the European Union toward island regions," said Antoni Rami, the chief economics official for the region.

He called on Foreign Minister Abel Matutes a native of the Balearic island of Ibiza, to get the oversight rectified in Brussels. The Canary Islands are also missing.

Pere Sampol of Majorca's Socialist Party said that European Union officials in Brussels "rate us as so unimportant that they wipe us off the map."

The euro is to go into circulation before 2002.

The EU This Week:

International Herald Tribune

Significant events in the European Union this week.

Prime Minister John Bruton of Ireland, the current EU president, and President Jacques Santer of the European Commission meet with President Bill Clinton at the semi-annual EU-U.S. summit meeting in Washington on Monday. EU leaders will be looking for signs that Mr. Clinton will extend a waiver of U.S. financial sanctions on foreign companies that do business in Cuba.

Agriculture Minister Douglas Hogg was scheduled to give details of revived British plans to slaughter cattle deemed at risk of bovine spongiform encephalopathy in an effort to lift the EU ban on U.K. beef exports.

The commission is expected to rule on the safety of genetically modified corn at its weekly meeting Wednesday. The United State is pressing for a favorable ruling. Hundreds of millions of dollars of U.S. corn exports to Europe could be affected.

BRIEFLY EUROPE

Russia Frees Sailor In Pollution Case

MOSCOW — A retired navy captain who was imprisoned 10 months ago after reporting on radioactive waste contamination by Russian nuclear submarines has been freed in a setback for the state security police.

Captain Alexander Nikitin still faces charges of treasonous disclosure of military secrets. But his release, ordered by Russia's deputy prosecutor-general, appeared to be "the first step, a very important step" toward exoneration, Captain Nikitin's lawyer said.

The case is the most notorious of several pressed during the last year, on flimsy charges, by the Federal Security Service, a KGB successor agency. It is viewed as a test of the agency's powers over citizens' words and deeds.

Captain Nikitin, 43, who was released Saturday, was arrested Feb. 6 after contributing to a report by the Bellona Foundation, a Norwegian environmental group, detailing the hazards of nuclear waste disposal by Russia's Northern Fleet. Bellona said the report was based on open sources. *(LAT)*

Meeting for NATO

BRUSSELS — NATO defense ministers meet in Brussels this week to review internal alliance reform, rubber stamp a new peace force for Bosnia and try to push Russia to agree an exchange of military liaison officers.

The 16 alliance ministers, meeting in Brussels on Tuesday and Wednesday, will also confer with partners from the rest of Europe to examine planned joint military exercises and other ways of boosting ties. *(Reuters)*

New Cultural Hub

COPENHAGEN — Copenhagen has rounded off its year as European cultural capital and passed the torch to Salonika, Greece, for the coming year.

The most popular single event of the year was a gigantic Japanese fireworks display this summer along Copenhagen's waterfront, which attracted almost half a million spectators.

The title of European cultural capital rotates annually. The first city was Athens in 1985. *(Reuters)*

Britain to Quit a UN Agency Despite Its Reforms

By Raymond Bonner
New York Times Service

VIENNA — Pressure for reform within the United Nations has taken a somewhat unusual twist, with a decision by Britain to withdraw from the UN Industrial Development Organization, even while acknowledging that the organization deserves high marks for the changes it has instituted.

The British representative to the organization, Christopher Hulse, said last week that the withdrawal "was more directed at New York" than at the industrial development organization.

"We are worried about the lack of coordination in the UN system, and wastefulness," Mr. Hulse said in an interview. "That is the message that we want to be firmly established with the new secretary-general."

Mr. Hulse noted that at least two other UN organizations were involved in development — the UN Development Program and the UN Conference on Trade and Development.

The Clinton administration, feeling the heat of the anti-United Nations mood among conservatives in Congress, announced a year ago that Washington was quitting the organization.

Together, the United States and Britain contributed one-third of the Vienna-based organization's budget, and the question now is whether the organization can survive.

It was established in 1966 with a mandate to promote industrial development in Third World countries. It operates programs in about 30 countries, ranging from providing support for privatization and for small and medium-size industries to helping former Communist countries in Central Europe reduce industrial pollution.

Until some changes were undertaken a few years ago, the organization had a reputation as one of the more bloated and poorly managed in the United Nations.

"It is the beginning of the end for UNIDO," an American official predicted after the British decision.

But for the moment, the organization has received a reprieve, with a decision last week by Germany to put off for another year a final decision on whether to follow the United States and Britain.

The German minister for economic cooperation and development, Carl-Dieter Spranger, facing demands for budget cuts, said that Germany should get out of the organization. But the German foreign minister, Klaus Kinkel, anxious not to offend the governments of developing countries as Germany jockeys for a permanent seat on the Security Council, took a contrary view.

Germany will insist on further reform in the organization over the next year, a German official here said.

Officials of the program say that they have already undertaken significant reforms and that the wrong message is therefore being sent by the British decision to pull out.

"We believe that we did our job in terms of reform, more than anyone else in the UN," said Donatella Magliani, a spokeswoman for the organization. The reforms began in 1993, she said, and accelerated after the United States' decision to withdraw.

The staff has been cut from a high of 1,250 in 1993 to just over 800 today, and the budget has been reduced from $131 million in 1995, to about $90 million this year, she said.

More than three-quarters of the those cuts have been in administration, however, and not in field programs, she said.

Mr. Hulse, the British representative, said that the organization had indeed made "significant progress" and "deserves good marks for what it has done."

U.S. Radio Tower Is Razed in Berlin

The Associated Press

BERLIN — A bit of Cold War history — a radio tower once used to transmit hope and American music to Berliners — has been razed.

The 125-meter (410-foot) tower broadcast programs of the U.S. military's Armed Forces Network for nearly 50 years, becoming a popular cultural fixture and a way to reach Communist East Berlin after the Berlin Wall went up in 1961.

AFN started broadcasting in divided Berlin on Aug. 1, 1945, and stopped on July 15, 1994, leaving behind the steel lattice tower that was dynamited on Saturday.



Italy's delegate, Francesco Fulci, announcing Mr. Annan's selection.

Ivory Coast Chief Criticizes UN Wrangle

By James Rupert
Washington Post Service

ABIDJAN, Ivory Coast — The president of Ivory Coast has praised the Security Council for choosing an African to head the United Nations for the next five years. But he suggested that Africans felt they have been manhandled by the United States in the wrangle over who should head the world body.

"There is general satisfaction that an African has been elected," President Henri Konan-Bedie said Saturday, a day after the Security Council chose Kofi Annan, a Ghanaian diplomat, as the new UN secretary-general. But Mr. Konan-Bedie voiced frustration, as have other Africans in recent weeks, that the United States unilaterally pushed out Secretary-General Boutros Boutros Ghali over the objections of African states.

Mr. Konan-Bedie also expressed resignation at Africa's political powerlessness on an issue where, by historical precedent, the Africans' views especially should have counted for something.

The council chose Mr. Annan after Mr. Konan-Bedie withdrew Ivory Coast's nomination of Foreign Minister Amara Essy for the post. Paris had been backing Mr. Essy — and using its veto against Mr. Annan, the U.S. favorite — in a display of irritation at Washington's rejection of Mr. Boutros Ghali.

Mr. Konan-Bedie said he had withdrawn the nomination of Mr. Essy because he feared a protracted stalemate might push leading powers at the United Nations to choose a non-African.

"Our real interest was that the post be returned to Africa," he said.

Historically, the position has been passed among the continents every two terms. Unlike his predecessors, Mr. Boutros Ghali has served only one term. African governments unanimously endorsed him for re-election.

But the Clinton administration, which had been pressed by Republicans in Congress, used its veto in the council to block Mr. Boutros Ghali. The administration has accused the Egyptian of doing too little to reform UN operations.

In electing another African, Mr. Konan-Bedie said, "the international community, and thus the United States, understood that it had done Africans violence in striking us frontally with this veto of Boutros Ghali."

"I don't know whether it is sufficient compensation in the view of all African states," he added.

Mr. Konan-Bedie stopped short of condemning the United States, saying, "I do not judge." But he said African states had little voice in world politics. Asked his opinion of the U.S. role in the controversy, the president said, "Unhappily, our opinions haven't counted."

Still, Mr. Konan-Bedie indirectly criticized Washington. Recalling his own days as a diplomat at the United Nations in the 1960s, the president said that vetoes then were reserved for "truly great questions," adding, "Now the veto is used for administrative questions. I deplore that."

But he said that Washington was unlikely to suffer serious problems for having bruised Africans' feelings.

Newspapers in neighboring Ghana celebrated Mr. Annan's selection, which followed the Dec. 7 re-election of President Jerry Rawlings in a vote remarkable in Ghana for its apparent legitimacy.

"This has to be the greatest week in the history of the Republic of Ghana," the state-owned Daily Graphic said.

Q & A / Daniel Spiegel

A 'Pivotal Moment' In U.S.-UN Relations

After a three-year stint as U.S. permanent representative to the United Nations and other international organizations in Geneva, Daniel Spiegel is returning to international law practice in Washington. Before his departure, he discussed the future of the United Nations and U.S. relations with the world body with Robert Kroon for the International Herald Tribune.

Q. With the Clinton administration starting on its second term and the United Nations about to get a new secretary-general, do you foresee a better relationship between the United States and the UN?

A. Yes. We have arrived at a pivotal moment in our relations with the United Nations. Madeline Albright, the new U.S. secretary of state, is both the UN's best friend and best critic. Her understanding of the organization makes her a very credible witness before the Congress on American participation in the United Nations and the specialized agencies.

Another factor is the new secretary-general. It is time for a new administrator to carry through the reforms in the UN. In that respect, Boutros Boutros Ghali was not sweeping and aggressive enough.

The United Nations is a mass-member, universal body that has long been immune to the reform trends permeating government and business management over the last 20 years. Fortunately, that is no longer the case but much remains to be done.

•

Q. The hassle about Mr. Boutros Ghali's succession again shows that in the selection of appointees for important UN posts, politics often supersede a candidate's qualifications. What does that say about UN reforms?

A. There are more restraints now against mere logrolling resulting in mediocre appointments. Some of the specialized agencies in Geneva are run by outstanding professionals. UNHCR, the refugee agency that is the custodian of 23 million refugees, does an impressive job on a $1-billion-a-year budget.

I don't want to talk about personalities, but important organizations like the World Health Organization and the Human Rights Center need to be restructured. Health problems know no borders and the United States wants a new vision for the World Health Organization in the next century. The nitty-gritty of world health governance should be handled by an effective executive board, not a cumbersome group of governments.

•

Q. How do you explain the poor image of the UN in the U.S. Congress and a broad segment of American public opinion?

A. First of all, there's a big gap between congressional and public opinion. Credible opinion polls show deep respect and support among the American people for the UN. I am not referring to the irrational fringe that

'The new secretary of state is both the UN's best friend and best critic.'

sees the UN as an encroachment on American sovereignty or militia talk about black UN helicopters intruding in U.S. airspace. Nobody in Washington takes those claims seriously.

The United Nations plays a leading role in the worldwide battle against HIV/AIDS, the struggle against child labor, in human rights, the trade-labor linkage, the protection of intellectual property and caring for refugees.

All these issues are high on the new foreign policy agenda of the United States. The administration has to do more lobbying, informing and explaining on what the UN does well, but the same goes for the UN itself.

Q. A year ago you were reprimanded by the State Department and Senator Bob Dole after you criticized the United States for refusing to pay its UN dues. Will Washington remain a deadbeat dad, as you called it?

A. As the UN moves forward on the reform track, we must come to grips with this problem. With a new secretary of state, a new UN secretary-general, a more bipartisan foreign policy and the elections behind us, it is time for the United States to meet its international commitments. Failing to do so breeds resentment among member states and weakens American influence when we try to build a consensus to get what we want done.

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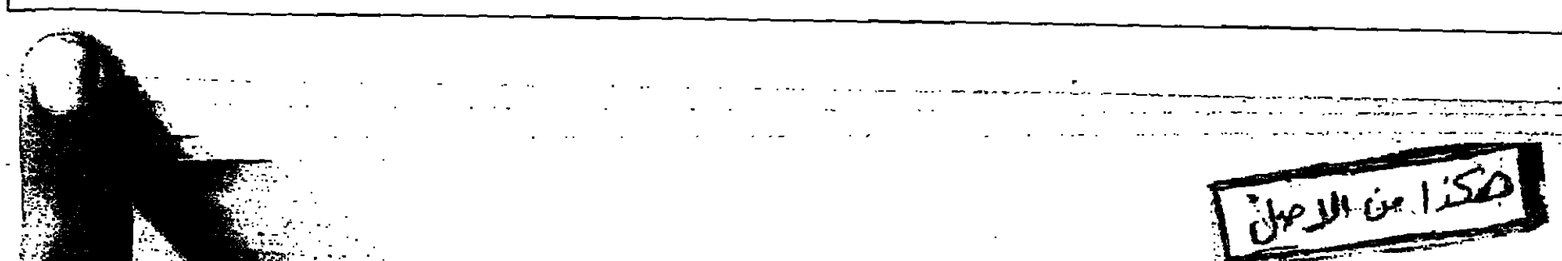
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INTERNATIONAL

Court in Serbia Awards One Council to Opposition

Move in Nation's No. 2 City Is Apparently Bid To Quiet Huge Protests Against Government

By Chris Hedges
New York Times Service

BELGRADE — The government of Slobodan Milosevic, in the face of huge street protests, appeared to try to mute anger over annulled election opposition victories Sunday by handing its opponents control of the country's second-largest city.

Opposition leaders said a court controlled by Mr. Milosevic's ruling Socialist Party informed them that their opposition coalition, Zajedno, had won control of the city council in Nis.

Voting lists in Nis gave control of the city to Zajedno after the second round of voting on Nov. 17, but the local electoral commission declared the ruling Socialists as the winners. It was in Nis that the first street protests against the annulment of the vote began, spreading to Belgrade and other cities.

The protests have been going on for nearly a month and have spread to some 30 cities and towns.

The opposition had victories snatched from them by the government-controlled electoral commission in 15 of Serbia's largest 18 cities.

The street protests, after 28 days, remain impressive, closing the center of the capital each afternoon. On Sunday more than 100,000 people marched, as usual, through the center of Belgrade.

[Other reports put the number of protesters as high as 250,000, Reuters said. Students, trade union members and other Belgrade residents packed the central square to listen to speeches from opposition leaders. There was a low-profile police presence.

[The march gathered strength along the route on a mild wintry evening and demonstrators in a carnival atmosphere waved American, British and French flags and sang and played music. Fireworks sent showers of sparks into the night sky.]

On Sunday night, after the afternoon protest, tens of thousands of students walked through the city streets holding candles, lanterns and flashlights. Onlookers cheered and applauded, many flicking lights on and off as the students walked by in a gesture of support.

The ruling Socialists are expected to appeal the decision by the Nis district court, which said that the election commission should officially reinstate the opposition victory within 10 days.

There has been speculation within the opposition that Mr. Milosevic might try and give up Nis, an industrial city with severe economic problems, in exchange for continued control of the capital. And the Organization for Security and Cooperation in Europe has accepted an invitation by Mr. Milosevic to come to examine the election results, another escape route for the beleaguered Serbian leader.

But opposition leaders said Sunday that they would not bargain away their election victories. These leaders said the protests would continue until all the annulled election victories were restored.

"We don't want any deals with Milosevic," said one opposition leader, Zoran Djindjic.

Assistant Secretary of State John Kornblum, after a meeting Sunday in Geneva with the opposition leader Vuk Draskovic, again called for Mr. Milosevic to honor the election results. Mr. Kornblum, who canceled a scheduled meeting with Mr. Milosevic in Belgrade last week, said that Mr. Milosevic must recognize the opposition victories, calling this recognition "the price" for better relations with Washington.

"We believe it is now essential for Mr. Milosevic to accept the result of the election and open himself to continuing the democratic process and particularly to allow much greater freedom of the media," Mr. Kornblum told reporters after the meeting.

He warned that relations with Serbia would not be normalized until the election results were honored. The U.S. continues to block international bank loans to Serbia and participation by the country in international bodies.

"What we are saying now is as far as the United States is concerned, there is no normalization with Serbia — no trade, no investment — which are all very important things," he said.

A group of 17 students started a 230-kilometer (145-mile) walk Sunday northwest from Nis to Belgrade. The students said they hoped to present lists of doctored voter tallies to President Milosevic. About 130 students from the city of Novi Sad walked 80 kilometers to the capital to protest the annulment.

"There are 17 members because that is in how many electoral units the results were forged," the Belgrade news agency Beta quoted a spokesman of the student committee, Nikola Bozinovic, as saying.

In Belgrade, Shaky Economy Is Off the Mark

By Chris Hedges
New York Times Service

BELGRADE — Business is brisk on the corner of Goce Delceva and Bulevar Lenjina Streets. And when business there prospers, the rest of the country suffers.

"We can't sell German marks fast enough," said Predrag Aleksic, who stood with a cluster of nine other black market money vendors.

"People cash their pension or salary checks at the bank and come out here to get at least some of it in foreign currency," he said. "We are seeing more and more new dinar bills, which means our government is probably printing lots of money."

The country's economy, in a tailspin after decades of communism and years of mismanagement and sanctions, seems headed for a new crisis.

After a year of relative stability, the local currency, the dinar, has begun to plummet in value. The government of President Slobodan Milosevic, apparently in a bid to mute public unrest over its cancellation of election results, which touched off huge street demonstrations here every day for the last three weeks, has promised to pay pensions, salaries, student grants and social welfare that have been in arrears.

But economists say that to carry out this program, which requires hundreds of million of dollars, the government has begun to print money without the reserves to back it. And they worry that the infusion of cash into the economy has already started a devaluation that may snowball into hyperinflation by next year.

"Milosevic is trying to buy social peace by paying salaries that are several months late," said Dusan Bajec, an economist and opposition member of Parliament.

"The government managed to stave off devaluation by not paying state companies for goods and services, but paying half of monthly pension checks and by keeping salaries low," he said.

"But, in the face of these street protests, which are largely built on economic discontent, he is gambling that he can hand people enough money to save his regime. It is a desperate and dangerous move."

On Saturday, as tens of thousands of students and opposition politicians again marched through central Belgrade, lines of elderly pensioners, many in threadbare coats, gathered at a branch of Jugobanka in the city's New Belgrade section. Most worked for three or four decades in state-owned companies and live on pensions of less than the equivalent of $100 a month.

For the first time in 12 months, they received full pension checks Saturday, although the payment covered only October. The government has promised to pay all pension allotments for this year by the end of the month.

"We are barely able to survive," said Ema Stefanovic, a 68-year-old former secretary. "We hope this is the beginning of something better."

But the tale told by the knots of black market speculators, most of whom carry pistols in their belts and pay off local police officials to do business, does not bode well for the months ahead.

In the last month, the Deutsche mark, the foreign currency of choice, has risen on the black market from 3.4 dinars to the mark to 3.9. And, with a glut of dinars and an increasing shortage of marks, the price looks set to climb even higher. The official exchange rate remains at 3.4 dinars to the mark.

"If I had 20,000 marks to sell I could," Mr. Aleksic said. "But it's harder and harder to get marks these days."

Economists say they fear that the days of disastrous hyperinflation in 1993, which saw the value of the currency drop by 10 or 20 percent in a single day, could return.

"I expect that by next year we will see an inflation rate of a few hundred percentage points," said Zoran Popov of the Institute of Economics. "The government will not be able to carry out only one or two devaluations," but will be forced to make several, he said.

Street vendors, selling everything from eggs to videotapes outside the Merkator shopping mall, said sales had fallen by half over the last month.

Tanzania Ousts Rwandan Horde

Compiled by Our Staff From Dispatches

RUSOMO, Tanzania — About 300,000 Rwandan refugees streamed back to their homeland Sunday after they were forced out of the largest refugee camp in Tanzania by the army, aid workers reported.

Refugees said the Tanzanian soldiers, who entered the Benaco camp at midday on Sunday, herded the refugees along the road to the nearby Rusomo border crossing into Rwanda. The soldiers forced them out by using sticks and batons.

President Pasteur Bizimungu of Rwanda drove to the border to welcome the refugees.

"I came to reassure them that nothing bad will happen to them," he said.

He added that groups of Hutu intimidators were holding up other refugees from crossing into Rwanda.

At the border, Mr. Bizimungu discussed the situation with representatives of Tanzanian authorities who landed in a helicopter on the Tanzanian side after overflying the column of refugee.

Witnesses at the border crossing said there was a solid mass of refugees filling the road to Rusomo for at least 14 kilometers (8 miles).

Lines of aid agency trucks waited on the Rwandan side of the border to carry some refugees to their distant home villages.

About 200,000 of the refugees originally came from villages within 30 kilometers of the Rusomo crossing, and they were expected to walk back to their former homes.

The border post, normally closed at night, remained open to allow the flow of refugees, estimated at 1,000 people an hour in the second mass repatriation into Rwanda in five weeks, to continue.

The exodus followed talks between camp leaders in Benaco and officials of the Tanzanian government, which says it wants all 540,000 Rwandan Hutu refugees in Tanzania out by Dec. 31.

Aid workers said most of the refugees arriving at the border Sunday morning had come from camps south of Benaco.

They were shepherded past the Benaco camp by Tanzanian security forces.

Troops and policemen turned back refugees who had earlier headed inland into Tanzania from their camps, telling them instead to walk toward the Rwanda border.

"Many people are walking in the right direction," said Anne Willem Bijleveld of the United Nations High Commissioner for Refugees.

She said soldiers walked with refugees but "in a humane manner" and even assisted the needy.

On the Rwandan side of the border, aid agencies set up water points, health posts and food distribution sites along a 100-kilometer route from the frontier. UN aid officials said they believed a rush away from the border by hundreds of thousands of refugees on Thursday broke the grip of the Hutu intimidators, who had ordered the refugees not to try to return to Rwanda. In the first mass migration, more than 500,000 Rwandan refugees left Zaire in four days last month.

Their flight followed a rebellion by Zairian Tutsi crushed the Hutu intimidators. *(Reuters, AP)*

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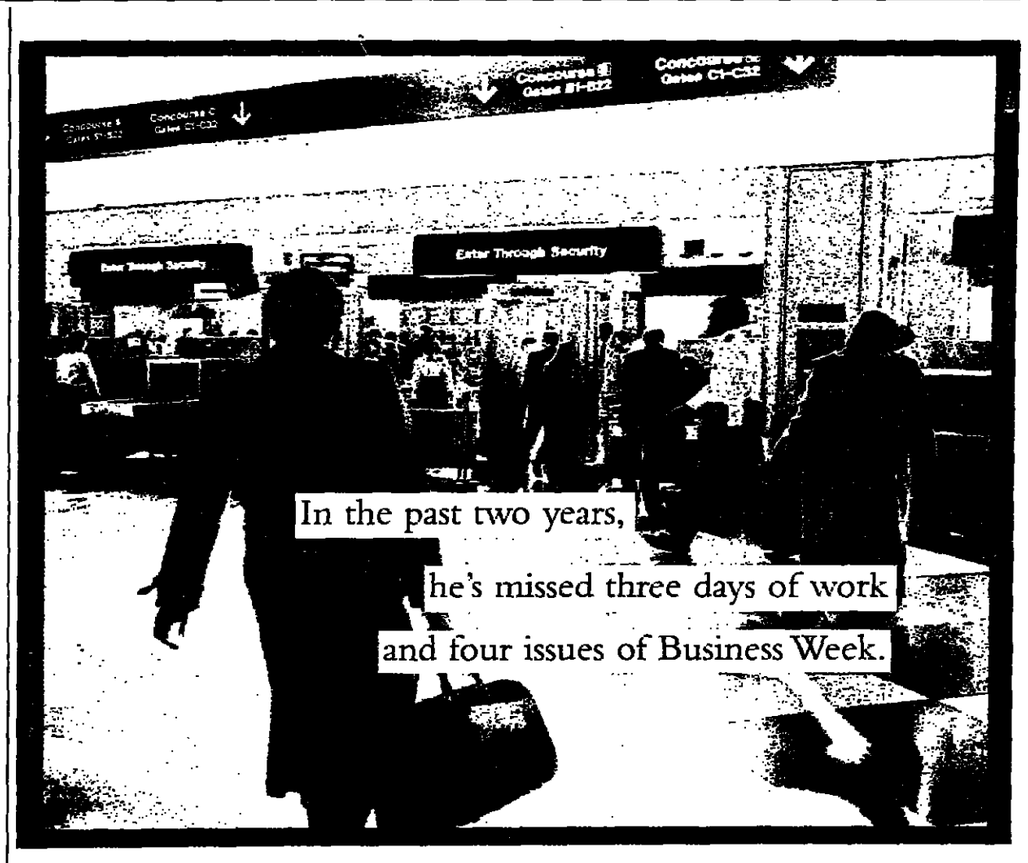


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INTERNATIONAL

Lending to Russia Is Resumed by IMF

Improved Tax Collection Credited

By David Hoffman
Washington Post Service

MOSCOW — The International Monetary Fund has approved the resumption of lending to Russia, citing an improvement in tax collection, which fell off sharply earlier this year.

The fund announced late Friday in Washington that its executive board would release the delayed October installment of a three-year, $10.3 billion loan.

That monthly installment amounts to about $336 million, which the strapped Russian government needs to help pay overdue wages.

The International Monetary Fund delayed that installment after a precipitous decline in tax revenue this year, both before and after President Boris Yeltsin's re-election.

Before the election, many companies stopped paying taxes as they waited to see if Mr. Yeltsin or his Communist challenger would win; afterward, they did not resume.

Moreover, the Yeltsin government handed out a large number of tax exemptions, which further sliced into revenues.

The shortfall meant that, by autumn, Russia could not pay for such essential services as soldiers' wages. The IMF suspended the loans when it appeared that Russia was failing to adhere to monthly economic performance criteria for the loans.

In response, Mr. Yeltsin ordered the establishment of an emergency commission to beef up tax collection.

The panel threatened to drive big firms into bankruptcy if they did not pay their back taxes.

In addition, the Finance Ministry largely stopped issuing tax exemptions in exchange for goods and political favors.

In announcing the loan resumption, the IMF cited the improved revenue picture. The fund also is pushing the Russian government to make permanent changes in spending policies.

Thomas Wolf, head of the IMF office in Moscow, told the Interfax news agency that Russia would probably have to wait until 1997 for a decision on the November installment.

The State Statistics Committee reported Saturday that the national economy declined 6 percent in the first 11 months of this year as compared with the year-ago period.

However, official statistics can be misleading because they do not reflect a substantial shadow economy.

■ Budget Wins Support

The lower house of Parliament approved the 1997 budget Sunday, giving a boost to the government's struggling economic policy, The Associated Press reported from Moscow.

The government hopes the spending plan will provide growth of 2 percent next year, which would be the first growth in the economy since 1992.

South Africa Charges an Ex-Activist

New York Times Service

JOHANNESBURG — A former clergyman, Allan Boesak, once a prominent anti-apartheid activist and high-level African National Congress official, has been charged in absentia with fraud and theft involving the misuse of hundreds of thousands of dollars contributed to his nonprofit organization.

The investigation took nearly two years and was often cited as an example of the new government's failure to deal thoroughly with charges against its own followers.

Mr. Boesak was charged Friday in Cape Town with nine counts of fraud and 21 counts of theft involving more than $500,000 — mostly donations to his Foundation for Peace and Justice by Danish and Swedish aid organizations.

Mr. Boesak was not in court. But lawyers for his accountant, who was also charged in the case, said that he would return from California in January to face charges.

Freighter Wrecks New Orleans Mall

Reuters

NEW ORLEANS — A freighter loaded with grain slammed into a crowded riverfront casino and shopping mall in New Orleans after apparently losing power as it headed out to sea, officials said.

Dozens of people were injured Saturday as ceilings gave way in the upscale Riverwalk mall along the Mississippi River.

New Orleans is one of the world's busiest shipping ports, with large freighters and tankers a routine sight passing by downtown and the historic French Quarter.

The Coast Guard was using infrared scanners to search for possible victims in the fast-moving water and the rubble of the mall, but officials said there were no known fatalities in the afternoon accident.

"The latest news is that there are no confirmed fatalities," Mayor Marc Morial said. "They've conducted for several hours search and rescue operations, but have not as of yet been able to locate anything, so we have our fingers crossed that in the end there won't be any fatalities."

A spokeswoman said 111 people were treated at hospitals, mostly for minor injuries. Two people had serious injuries.

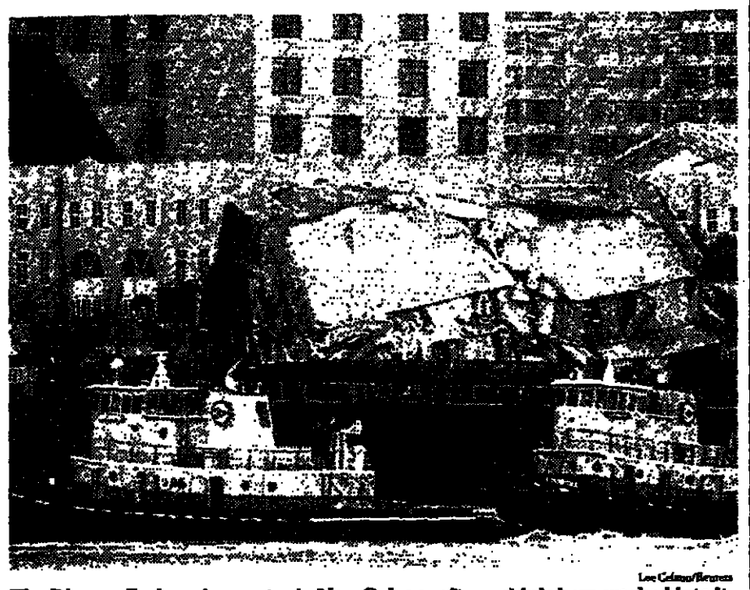
The accident occurred while the mall was filled with tourists and holiday shoppers. Witnesses said the Liberian-registered freighter MV Brightfield sounded warnings with blasts from its horn and shot a flare into the sky just before its bow slammed into the elevated strip of stores overlooking the river.

"We saw the boat coming right towards us," said one tourist, scratched but otherwise unhurt. "I thought it was just going to dock. Then I realized that it was out of control, and I saw it just about before it hit the dock and then it came through the window of that Cajun shop and then the roof collapsed on top of us."

The ship hit the Riverwalk wharf from the left side of its bow and then scraped along the seawall, finally stopping parallel to the wall. Tugs were holding the ship in place while rescuers searched for victims.

A three-alarm fire broke out in the shattered shopping mall shortly after the crash, a fire department spokeswoman said. One witness said a strong smell of gas filled the area after the crash, causing a small panic because people worried there would be an explosion.

The Coast Guard said the Brightfield apparently lost power as it moved under a bridge near downtown New Orleans and hit the Riverwalk. No injuries were reported on board the ship, which was holed and was leaking.



Lee Celano/Reuters

The Riverwalk shopping center in New Orleans after a ship's bow crashed into it.

Letter From U.S. For Netanyahu

8 Ex-Foreign Policy Figures Urge Restraint on Settlements

By Steven Erlanger
New York Times Service

WASHINGTON — Concerned that the settlement policies of Israel's Likud government are doing harm to the chances for peace in the Middle East, eight former secretaries of state, national security advisers and Middle East envoys have written to Prime Minister Benjamin Netanyahu, urging him "not to take unilateral actions that would preclude a meaningful settlement and a comprehensive and lasting peace."

The letter, which was provided to The New York Times, was to be delivered Sunday to Mr. Netanyahu, said one of the signers, Zbigniew Brzezinski, national security adviser under President Jimmy Carter.

Other signers were James Baker 3d, Cyrus Vance and Lawrence Eagleburger, all former secretaries of state; Frank Carlucci and Brent Scowcroft, former national security advisers, and Robert Strauss and Richard Fairbanks, former Middle East negotiators.

The letter urges all sides in the Middle East conflict to refrain from unilateral actions that could prejudice peace talks. But it is addressed to Mr. Netanyahu and states:

"We write because we are concerned that unilateral actions, such as the expansion of settlements, would be strongly counterproductive to the goal of a negotiated solution and, if carried forward, could halt progress made by the peace process over the last two decades."

"Such a tragic result," the letter continues, "would threaten the security of Israel, the Palestinians, friendly Arab states, and undermine U.S. interests in the Middle East."

Mr. Brzezinski was explicit. "The letter is about settlements," he said. "It's precipitated by Mr. Netanyahu's policies, which seem to us inimical to the peace process and even dangerous."

Henry Kissinger, former secretary of state under Presidents Richard Nixon and Gerald Ford, said Sunday that he chose not to sign the letter, believing that Mr. Netanyahu needed a period to "form a strategy" and that he was elected with a different mandate than the previous Labor Party government.

"I have not agreed with everything he's done," Mr. Kissinger said about Mr. Netanyahu. "But I have not disagreed sufficiently to make a joint public appeal with other former secretaries."

The appeal to Mr. Netanyahu, while drafted earlier last week, comes at a time of increased concern in the Clinton administration about Mr. Netanyahu's settlement policies. On Friday, the Israeli cabinet voted to restore large subsidies, including tax concessions, for existing Jewish settlements in the West Bank.

Mr. Strauss said the process of drafting the letter began "because each of the signatories has been so intellectually and emotionally involved in the Middle East peace process for so many years, and we are concerned."

The letter is designed to fit current American policy, Mr. Brzezinski said, and "do nothing to offend the administration or the secretary of state," Warren Christopher, or his nominated successor, Madeleine Albright.

"It has bipartisan support, and it was calculated to be of assistance," he said.

A senior American official said, "What they propose is quite consistent with our own view of the problematic nature of settlement activity."

The letter, he said, "is balanced, but clearly with a certain amount of concern. And the concern is warranted."

The Clinton administration was very close to the former Labor government of Shimon Peres, which had put a freeze on any new settlement activity. The election of Mr. Netanyahu in May was a setback to Mr. Clinton's goals in the Middle East, and by all accounts, progress toward peace has been halted, if not reversed.

The American language toward settlements has softened over the years since Prime Minister Menachem Begin and Yitzhak Shamir led earlier Likud governments with an active settlement policy. In the Carter administration, the settlements were called "illegal" and "illegitimate." In Mr. Baker's time, the key phrase was "obstacles to peace."

Since Mr. Netanyahu's election, the key phrases have been ratcheted down to "complicating and unhelpful."

Now the language is being made stronger again, U.S. officials say, raising the possibility, though formally denied, that this open letter was coordinated with the administration at a time of transition at the State Department.

Netanyahu Sends 'Peace Message' to Arafat

Reuters

JERUSALEM — Prime Minister Benjamin Netanyahu spoke by telephone with Yasser Arafat on Sunday, apparently in a bid to ease tensions after the granting of financial benefits to West Bank settlers.

Asked by what he relayed to the Palestinian leader, Mr. Netanyahu replied, "A message of peace."

The conversation took place after a Netanyahu adviser, Yitzhak Molcho, had met with Mr. Arafat. The meeting in self-ruled Gaza was the first such high-level contact in weeks, a spokesman for Mr. Arafat said.

■ Israeli Troops Kill 3 in Lebanon

JERUSALEM — Israeli troops killed an anti-Israeli militant Sunday during a clash in its "security zone" in southern Lebanon, Agence France-Presse reported. In fighting Saturday, two Hezbollah militants were reported killed.

ISRAEL: *A Need to Demonstrate Power Is Reducing the Will to Compromise*

Continued from Page 1

world reunified in condemnation, a major loss of tourism and chilling relations between Israel and world leaders who had embraced it only months before. Israel's security services, as they did in September, are leaking reports to reporters that they have warned Mr. Netanyahu against unilateral action. Israeli television reported that the chief of the Shin Bet internal security service, Ami Ayalon, had dissented from the new settlements policy, telling the prime minister sharply: "If you say 'settlements,' you've said war."

That war is less one-sided than it might appear. Israel is a regional superpower and overmatches the Palestinians in every important military and economic measure. But as tired as the Palestinians got of fighting their 1987-93 uprising, Israelis got just as tired, perhaps more.

If the country is convinced that a new uprising is coming, and not the "secure peace" that Mr. Netanyahu promised last spring, it is far from clear it will follow its new prime minister into the trenches.

Mr. Arafat is mixing defiance with signals that he is willing to cooperate. After gunmen fled to Ramallah after killing two settlers last week, he invited Israeli forensic experts to the self-ruled city to identify the getaway car. The Ramallah police chief said his investigators were close to catching the killers.

"We must be careful not to harm the motivation of the Palestinian Authority to catch the perpetrators," a former Shin Bet chief, Karmi Gillon, told the newspaper Ma'ariv.

NORWAY: *On Welfare, Gladly*

Continued from Page 1

tion's adherence to social democracy. In Norway, where individual tax rates can climb above 50 percent, citizens benefit from a number of entitlements and a shrunken workweek.

Inflation is below 2 percent. The unemployment rate is the lowest in Europe. Economic growth in recent years has ranged between 3 percent and 5 percent. Oil exports are running at 3 million barrels a day, second only to Saudi Arabia's, and the petrodollars are feeding a budget surplus this year of $6 billion more than the government's $61 billion expenditure.

The Norwegian welfare cake, surely the sweetest in the world today, includes these ingredients:

- Annual stipends of $1,620 for every Norwegian child under 17, which rise slightly for every other child as a family grows and rise still more if the family lives in a remote part of the country.
- Retirement pay, equivalent to industrial workers' pensions, for all homemakers, even those who have worked outside the home.
- Forty-two weeks of fully paid maternity leave.
- Reimbursement for all individuals' medical costs exceeding $187 a year.

These benefits may be financed by oil, but they are undergirded by the national character.

Norwegians, with their profoundly egalitarian persuasion, frown on wide disparity in income. This permits one of the highest personal-tax rates in the world and provides the government with vast latitude for social engineering.

"It is a sense of solidarity," a Western diplomat said. "High taxes enjoy a great national consensus because in a way it's like they see them as a way to be saved from themselves."

Norwegians have a word for their anti-elitist views — *Jantelov*, which means nobody should start thinking he or she is better than anybody else. Politicians have lost their jobs for forgetting this.

The disdain for the trappings of wealth and power, which among other things restricts executive pay and mandates extensive workplace rules, meets surprisingly little opposition from business.

Henning Holstad, owner and president of Tiny Transport Co., says his after-tax annual pay is about double the $38,500 his workers average. That compares with multiples of 10 or more, and sometimes 100 or more, in the United States.

In addition to high personal income taxes, Norway imposes a 23-percent sales tax; gasoline costs the equivalent of $6 a gallon, and a glass of beer in a bar goes for $8.

"It's enough for money to change hands twice or three times for it to go back to the government and the welfare state," Mr. Holstad said in an interview.

Business leaders do complain about short workweeks and high overtime rates and paid sick leaves of up to two weeks. But they have made peace with the system.

"We would like to fine-tune some attitudes on sick leave, working hours and minimum wage," said Karl Glad, director general of the Confederation of Norwegian Business and Industry, "but I don't believe many businesses here think it is worth taking the social risks associated with radical change."

In fact, labor in Norway, defying a world trend, continues to wring concessions from management. Having won agreement to lower the retirement age to 64 from 67, the unions are now pushing to lower it to 62, at full pension.

The 165-member Parliament, dominated by the Labor Party, is expected to approve legislation soon for a "lifelong learning" program, which would give Norwegians a year off their jobs at full pay every decade or so to hone their work skills.

Even with so many social programs, business is doing quite well. It doesn't hurt that Norway has one of the best educated and technologically savvy work forces in the world. It certainly helps that Norway reduced the corporate tax rate to 28 percent from 50 percent four years ago.

DEMOCRATS: *Making Room at the White House for Clinton Re-election Donors*

Continued from Page 1

cing re-election, he was the moving force in a calculated political strategy by Democratic Party leaders to make full use of White House perks and time with the president to meet fund-raising goals.

Although every president strokes political donors, Mr. Clinton was remarkable for the extent of his involvement, dozens of interviews with White House aides, Democratic party officials, fund-raisers of both parties and donors show.

President George Bush's aides complain that their president would not fulfill a promise to save five seats for donors at the occasional state dinner. He invited the same contributor, a longtime friend, over and over, the aides said. "We couldn't get him to include donors for popcorn and a movie," a former adviser said.

Mr. Clinton, on the other hand, was host of a coffee klatch for donors at the White House every month in 1996 and even told his staff at one point that he wanted to meet more new donors. The intimacy increased with the amount of the check: Donors of $10,000 were included in a roomful of diners with the president. Those who contributed up to $100,000 dined at a table with the president, although sometimes 30 people were crowded in.

One California donor who stayed with his son in the Lincoln Bedroom said the president, dressed in a tuxedo, knocked on the door at midnight, found them watching a videotape on the White House and proceeded to give them a personal, two-hour tour of it.

Others were invited to golf outings, appointed to honorary commissions or handed podium passes to the Democratic National Convention.

Raymond Lesniak, a New Jersey politician of Polish heritage who says he raised $1.5 million, traveled on Air Force One with Mr. Clinton to meet Pope John Paul II at Newark Airport. "Those types of things make someone want to walk through a wall for him," Mr. Lesniak said of the president.

Or at least walk to the bank. The Democratic National Committee's receipts from "soft money" donors, courted heavily by the White House, show the success of Mr. Clinton's strategy. The size of individual soft money donations is not limited, but the parties are supposed to use the funds only for party-building activities such as advertisements dealing with issues, not to promote a particular candidate.

In the last two years, the Democratic National Committee collected $85 million in soft money, almost $20 million more than the Republicans, and nearly three times what the Democrats collected in the 1992 election cycle.

The Republican National Committee raised more money than the Democrats overall this time, but the bulk of it came from a carefully cultivated list of small donors reached by direct mail.

The Democrats' strategy of throwing open the White House to big donors carried some risk. One $20,000 donor who was invited to a White House Christmas party last December and photographed at another event with Vice President Albert Gore turned out to be a convicted felon who had been imprisoned twice on drug-related charges.

The president's Oval Office visits with an Indonesian businessman, James Riady, led to Republican allegations that Mr. Clinton let Mr. Riady lobby him on trade policy in exchange for political donations. The White House denies that Mr. Riady exerted any undue influence.

The guest strategy rests on the well-tested notion that people of great wealth can still be impressed with the trappings of power.

Some of the largest donors "are so wealthy they don't need anything from the government," said a top Democratic fund-raiser.

"It's an ego thing. They want to be invited to some conference so when they tee off at 2 P.M. they can say, 'Joe, I was with Bill the other day.'"

Underlying the White House efforts was a determination to make up for what political aides saw as a failure to treat donors properly after Mr. Clinton's election in 1992.

Truman Arnold, a Texas businessman who was the Democratic National Committee's finance chairman for part of 1995, said he had to try hard to "reconnect" with donors miffed at their treatment during the 1993 inaugural festivities and afterward.

That has changed.

The Lincoln Bedroom, said the White House press secretary, Michael McCurry, is "a special way of saying, 'Thank you for services rendered.'"

WOMEN: *Does Growing Influence in American Culture Mean the Movement Succeeded or Failed?*

Continued from Page 1

like "Roseanne" and "Suddenly Susan." Movies like "The First Wives' Club" are designed to draw in angry women. Jokes about men behaving badly are rampant. Houses are now built with larger kitchens and bathrooms. And doctors are being taught bedside manner because women asked for it. If this does not signal feminine power, then what does?

In hushed tones some feminists and scholars, fearful of frightening men and of ending the revolution by declaring it won, call this change "gender creep." With women already the majority of voters and poised to become a majority of the work force, society is changing so radically that the much-talked-about feminization of American politics is looking like but one piece of the feminization of American culture.

"It's like a silent revolution," said Linda Tarr-Whelan, president of the Center for Policy Alternatives, a feminist research organization based in Washington. "It's nonviolent at its core, but it's a very important transformation."

But is it the kind of revolution feminists envisioned when the modern women's movement began with the 1963 publication of Betty Friedan's "Feminine Mystique"? Does the feminization of politics and culture mean women have more power? Or is it just slick salesmanship, an attempt to make women whistle while they do all the housework?

Early feminists envisioned women moving en masse into leadership roles in government and business as men took more time from their jobs to share more of the workload at home.

But men still dominate the top slots in the executive suites and in government. And working women do 87 percent of the shopping, 81 percent of the cooking, 78 percent of the cleaning and 63 percent of the bill-paying, according to a 1993 study by the Family and Work Institute — a burden that single mothers, whose ranks are growing, can only dream of.

The disparity between women's political, economic and demographic clout and their limited status raises questions about the definition of power. Which is the better measure of women's achievement: increased representation in positions of power or increased influence on the decisions of powerful people?

Should feminism be considered a success if it has not managed to get as many women to the top as men, but has won more flex time, longer shopping hours, more concern for safety, more interest in education?

"In some ways it's the best of the feminist movement in keeping our eyes on the prize in terms of what I would call these equality-of-life issues, so that the issue is not just simply becoming the CEO, but how do we reframe the workplace so that it's better for all of us?" said Paula Rayman, executive director of the Radcliffe Public Policy Institute.

But other feminists suggest that political and business elites have simply figured out more creative ways to sell goods, services and candidates to women without fundamentally improving their lot. As women enter the labor force, do most of the housework and remain the prime targets of advertisements, the female stereotype is changing from barefoot and pregnant to debt-ridden and tired.

"That may be feeding some of the backlash against feminism among some women," said Heidi Hartman, executive director of the Institute for Women's Policy Studies, a Washington research group. "People are saying that all feminism ever got us is more work."

There is little question, though, that America has felt big shifts over the last two and a half decades. Since 1970, women have grown to about half the national labor force, and they are less inclined to stop working when they have children. The number of women-owned businesses increased by 43 percent from 1987 to 1992.

All these trends mean that women are increasingly making political and economic decisions independently of men.

And because of that, the producers of big-ticket goods and services are increasingly trying to appeal to them. Women, for example, buy about half the new cars and about 25 percent of light trucks, including sport-utility vehicles and minivans, according to J.D. Power & Associates. So, automakers are changing how they design and market cars, emphasizing safety and convenience, which women care more about, over speed and power.

In the health sector — an industry that represents about one-seventh of the U.S. economy — 75 percent of purchasing decisions for families are made by women or are significantly influenced by them. As a consequence, such large health care providers as Kaiser Permanente have developed programs to train doctors in the art of communications, an area in which women say they feel physicians are lacking.

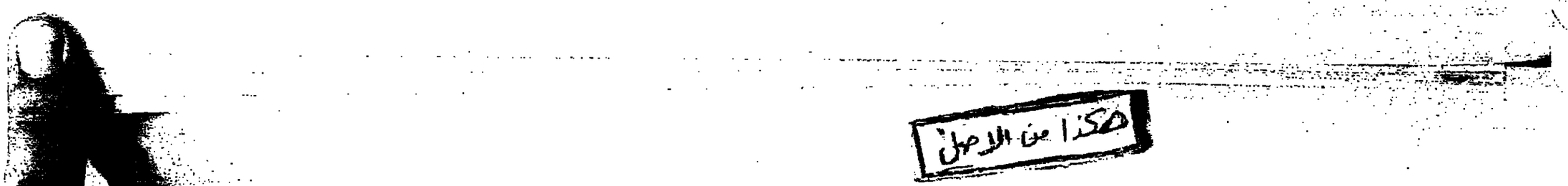
Women are changing television, too. They are now the target audience not only for daytime television but for prime-time television.

"The primary, No. 1 audience segment in television is adult women under 55 years of age," said David Poltrack, executive vice president for planning and research at CBS.

But the question remains: Is consumer power real power? Perhaps the consumer item that best illustrates this conundrum is the American house. The home-building industry says the average size of a new home has grown from 1,500 square feet (135 square meters) in the early 1970s to more than 2,100 square feet, even though average family size has decreased. Most of the increase is the result of larger kitchens, bathrooms and family rooms, features the industry has found that women demand.

"When people buy the home, they say 80 percent of the decisions are joint ones," said Gopal Ahluwalia, director of research for the National Home Builders Association. "But you can't sell a home unless it has a really good quality kitchen with upgraded appliances and plenty of space. So we think it is the female who has the more power."

But it is also possible that houses are getting bigger to make women forget that they are still trapped in them.



هكذا من الأصل

BANGLADESH

NEW ERA, NEW INITIATIVES

There are unmistakable signs that Bangladesh has made huge progress in development, especially over the past year.

With a population of 120 million living on an area of less than 60,000 square miles (156,000 square kilometers), Bangladesh is one of the world's most densely populated countries. It is also one of the poorest, with per capita income of $260 and only about half of Bangladeshis living above the poverty line.

Most of the people are subsistence farmers, a difficult occupation that is especially grueling in the country's rigorous geography. Most of Bangladesh is low-lying, river valley landmass subject to some of nature's most severe climatic conditions, including cyclones and monsoon rains.

Despite these odds, impressive strides have been made. Family planning has slowed population growth considerably, and literacy rates are on the rise. With more than 19 million tons of cereal produced in the last fiscal year, the country is drawing very close to self-sufficiency in food production.

Export industries – especially the production and trade of ready-to-wear garments – are showing impressive growth. Overseas sales of garments now stand at about $2 billion annually, up from $7 million 14 years ago. Meanwhile, fixed investments rose to 16.5 percent of gross domestic product during the 1995-96 fiscal year, up from 12.1 percent in 1990-91.

Government reforms

Half a year after taking office in democratic elections, Prime Minister Hasina Wajed is well on the road to proving her commitment to a healthier economy through free-market reforms. Her Awami government's long-term goals are to liberalize trade, ease bureaucracy, eradicate graft and privatize a number of inefficient state-run concerns.

Tackling the graft issue, the Law Reform and Administrative Reform Commissions are currently working out the details of a new government ethics program in which as few decisions as possible are discretionary and all officials are personally accountable for the decisions they make.

Over 50 state companies – mainly in the textile, jute, chemical and engineering sectors – are on the privatization list for the current fiscal year, which ends in June 1997. Another 46 state companies have been earmarked for sale in the medium term. In the longer term, only about 10 public sector companies are not on the list for future privatization.

The government is introducing steps to increase the efficiency and productivity of all privatization candidates while at the same time introducing concepts of commercial freedom to companies that were previously protected by state monopolies.

Skepticism still abounds, however. Soon after the 1991 election, the previous government announced it would privatize 150 state entities, but only 13 made it to the stock exchange. The new Awami government does not pretend that it will be easy to free itself of the enterprises that cumulatively lose about $550 million annually (equivalent to 90 percent of the country's GDP) and put a stranglehold on government spending in other areas.



Free-market reforms should help bring increased foreign investment to Dacca.

Paramount among the barriers confronting privatization is the possibility of large-scale layoffs in a country where steady, well-paying jobs are at a premium. The World Bank calculates that it costs 20 times Bangladesh's average per capita income to maintain each of nearly a half-million employees who work for state-run enterprises.

Nevertheless, the government's new Privatization Board is on stream and currently working on ensuring that a realistic value is put on the assets of the state entities.

Easing foreign investment

In another move to boost the economy, the Board of Investments is being revamped with a mandate to be proactive in seeking out new overseas investment and as helpful as possible to foreign investors once they have committed to Bangladesh. Other top priorities include creating a transparent and operational regulatory framework for foreign entities.

Bangladesh offers a cheap, plentiful and hard-working labor force with wages ranging between $40 and $70 a month, and 100 percent foreign equity and ownership on all industrial development. The macroeconomic environment includes low inflation, a relatively small fiscal deficit and a stable currency.

Another benefit is government stability. International observers have put their seal of approval on the fairness and freedom of the last two general elections – a welcome contrast to the military-dominated Ershad era that ended in 1991.

Early returns

Sheikh Hasina has made foreign investment a personal crusade, perhaps her government's top priority, with official visits to Hong Kong, China and the United States in recent months to encourage support from overseas businesses.

Other top-level ministerial delegations have visited Britain, Singapore and Malaysia.

Early signs show these efforts are paying off. According to government data, the Bangladesh National Party government secured about $150 million in foreign investment during its four years in power. The new Awami government has already signed memorandums of understanding totaling $1 billion, with every effort being made for speedy actualization.

The list of new investors includes Hualon Corp, a Malaysian company that is pouring $200 million into a composite, multiline textile enterprise, as well as a South Korean company that is allotting another $200 million to establish a private export-processing zone. Multinational oil giants Unicol and Mobil have recently opened representative offices.

Bangladesh is still far from being a "little tiger." But with a new government and boundless enthusiasm, the country seems to be leaving darker days behind and entering an era of optimism offering bright light at the end of the tunnel. ●

Top Private-Sector Investment Areas

- **Aquaculture, agro-processing and food industries:** dairy and poultry farming, shrimp culture and processing, fishmeal, food processing.
- **Textiles:** composite and specialized textiles, sericulture reeling and filature.
- **Leather and rubber:** leather finishing and manufacture, tires and tubes.
- **Chemicals and allied industries:** soda ash, paper and pulp, jute goods, pigments and colors, pharmaceutical chemicals, plastics chemicals for tanneries, basic pesticides.
- **Glass and ceramics:** cement, sheet and plate glass, fluorescent tubes.
- **Infrastructure:** power generation, telecommunications, road construction, port facilities.
- **Engineering industries:** shipbuilding, sponge iron, agriculture machinery, gas distribution machinery, air conditioners, refrigerators, electric goods and components, optical lenses, disposable needles and syringes, telecommunications equipment, construction machinery and equipment.

The Economy At a Glance 1995/96

GDP: $31.9 billion
Per capita GDP: $260
GDP growth rate: 4.7%
Exports: $4.0 billion
Imports: $6.3 billion
Interest rate: 6.5%
Inflation rate: 2.0%
Foreign exchange reserve: $2.2 billion
Exchange rate: $1 = 42.5 Taka
Current account deficit: 6% of GDP

(Source: Board of Investment of Bangladesh)

INFRASTRUCTURE OPPORTUNITIES

The Bangladesh government estimates that it must attract at least $5 billion annually in new infrastructure investment in order to achieve significant advances over the next decade. Because of this acute need, standardized contracts are being drawn up for investments in power, gas and development projects.

Together with the World Bank and the Asian Development Bank, the Bangladesh government is working on a strategy that would concentrate government funds on social-sector infrastructure projects – like health and education – while other sources of funds would pay for other areas of development.

The country's needs are considerable. There is only one telephone line for every 500 inhabitants, and it is estimated that only one-fifth of local telephone calls made are successful. Instead of privatizing the state Bangladesh Telegraph & Telephone Board (BTTB), the government is preparing a new Telecommunications Act incorporating a multi-operational regulatory framework and is planning to create an independent industry administrating authority.

Only 14 percent of the population currently has access to electricity, and supply to them is sporadic at best. It is estimated that just to keep pace with annual growth in power demand, generating capacity will have to be increased by nearly 50 percent (to just over 4,000 megawatts) in the next four years. The new government has signed 10 memorandums of understanding with potential investors in power generation, with two projects slated to get under way next year.

Another area of acute concern in the infrastructure arena is seaport development. Chittagong, the country's only major port, is currently not competitive in terms of turnaround in the region. A new $200 million container facility is planned, however. ●

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BANGLADESH
Discover the Potentialities!

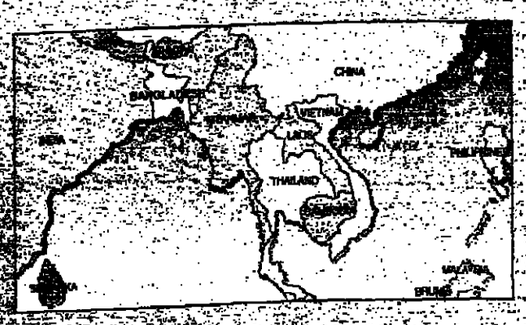


If you're looking for a place where your business will grow and flourish, come and discover Bangladesh, the land of opportunities galore! With a geographically advantageous position at the centre of the Eastern and Western markets, low inflation rate in Asia and liberalized economic and investment policies, Bangladesh is beyond doubt the lowest cost-production base in the world! That's why more and more renowned multinational companies have chosen Bangladesh .

UNILEVER, BRITISH AMERICAN TOBACCO, HOECHST, BATA, CIBA-GEIGY, BASF, MARUBENI, CHIYODA, SINGER, SIEMENS, TOOTAL, NESTLE, AKZO NOBEL, NEW ZEALAND DAIRY BOARD, KUOK GROUP, OCCIDENTAL, DAEWOO, HYUNDAI are just a few of the companies that have found fertile investment grounds in Bangladesh .

Here are a few reasons why the business giants chose Bangladesh ;

- Most Favoured Nation status with many countries worldwide such as the USA, UK and Germany.
- Facility for setting up Private Export Processing Zone.
- Bangladesh is a signatory to Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group, Overseas Private Investment Corporation (OPIC) of America and International Centre for Settlement and Investment Disputes (ICSID).
- An investment friendly government offering 100% unconditional foreign equity.
- No restrictions on work permits issued to foreign nationals.
- Generous tax holidays and various tax exemptions.
- Abundant, easily trainable and cheap labour.
- Easy repatriation of foreign capital.
- Bangladesh enjoys GSP facilities.



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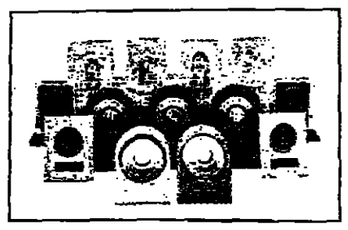
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EXPRESSIONS / DEC / 96

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96

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A Good UN Choice

After months of deadlock and aggravation over the selection of a new secretary-general for the United Nations, the Security Council has settled on a fine choice, Kofi Annan of Ghana. Mr. Annan, who heads UN peacekeeping operations, is a sophisticated and mild-mannered man with a reputation for competence. His department is one of the better-run offices in the United Nations. Part of his job has been to negotiate agreements for the use of UN peacekeepers, and those who have negotiated with him praise his skills.

Mr. Annan must still be approved by the General Assembly, but that seems assured. He will be the first secretary-general from sub-Saharan Africa, a welcome change for the United Nations. As the organization moves beyond the unpleasant but necessary business of denying Boutros Boutros Ghali a second term, Mr. Annan must complete a thorough reform of the United Nations that was initiated but not adequately advanced by his predecessor. He will need to retain the strong support of the Security Council, particularly its five permanent members, while not surrendering his independence to any of them, including the United States. It is a difficult balancing act that not every secretary-general has executed successfully.

Mr. Annan, who was educated in America, has spent 30 years as a UN bureaucrat and is untested at defusing international crises and mediating disputes between nations, areas where Mr. Boutros Ghali had considerable achievements. Mr. Annan should also continue Mr. Boutros Ghali's efforts to draw world attention to such issues as women's rights and the protection of the environment.

The United States, seen as Mr. Annan's main supporter, will rightly press him to trim and reform the United Nations, which is still organized for a world divided by the Cold War. The organization has overlapping agencies, an oversize bureaucracy and lavish and wasteful spending habits. Drawing on his years in the United Nations, Mr. Annan should know where to cut.

With the departure of Mr. Boutros Ghali, who was not skillful at communicating the value of the United Nations to the American people and Congress, Washington ought to make good on the more than $1 billion it owes the organization. Mr. Annan will need America's support if he is to make the United Nations an effective force for peace and human rights.

— THE NEW YORK TIMES.

Progress in Singapore

An agreement to eliminate tariffs on computers and telecommunications equipment, achieved in Singapore last week, is a significant step forward for open trade and for U.S. high-tech companies. The pact will spur growth in a $500 billion industry that already accounts for about one-tenth of all world commerce, helping to create jobs and economic opportunities in the United States.

The energetic acting U.S. trade representative, Charlene Barshefsky, whom President Bill Clinton on Friday nominated to assume the job on a permanent basis, deserves much of the credit for the agreement. Working through sleepless nights at the first-ever ministerial conference of the two-year-old World Trade Organization, Ms. Barshefsky alternately jollied the European Union and Asian countries to give up protections for their domestic industries in the interests of overall growth. Mr. Clinton also had boosted the agreement in the Philippines last month at a meeting of leaders from Pacific Ocean countries.

By Friday, when the WTO conference ended, 28 countries representing 85 percent of world trade in computers, semiconductors, software, telephones and related equipment had signed on. If the total reaches 90 percent by April 1, as expected, tariffs will begin coming down on July 1 and will be eliminated by the year 2000. U.S. exports, already exceeding $90 billion, can be expected to rise.

On other matters the WTO made slower progress. The United States had hoped to push trade ministers to begin removing obstacles to trade that, unlike tariffs, are not traditional subjects of negotiation but can pose equally forbidding barriers. Foremost among these is corruption, a subject that was broached under the more polite rubric of "transparency in government procurement." Many nations are understandably suspicious of WTO interference in such an area, which they regard as a matter of domestic concern, and the ministers in Singapore agreed only to study the issue.

In the long run, though, it would serve everyone's interests — everyone except the world's kleptocrats, that is — to reduce the role of bribery in big construction, energy-related activities and other contracts. The study should be regarded as a first step, and Ms. Barshefsky, if confirmed by the Senate, should expect to lose a few more nights of sleep promoting this worthy goal.

— THE WASHINGTON POST.

Cabinetmaking

The message of President Bill Clinton's second-term cabinet appointments thus far is that there isn't a message. The number of cabinet officers who are leaving for one reason or another isn't all that high. Two or three appear to have been gently pushed, but most are going of their own volition for the usual reasons of wear and tear. They are being replaced by familiar figures with few sharp edges.

There is the usual preoccupation with the requirement of balance as the Clintons exquisitely understand the term — not just the blunt, old-fashioned business of making sure each section of the country and maybe the major states and constituencies like labor and agriculture have a voice, but an effort to satisfy a far more complicated calculus involving gender, race, ethnicity and all the rest. But even that seemed somewhat less of an issue or source of tension this time around than last. The president in fact seems pretty well satisfied both with the people who remain in the administration and the policies in place. He is making no major changes.

You might argue that he did all that after the 1994 election and therefore has less of a need now to do it again. That's when he altered course. That doesn't mean that he now drifts. He may well try for such goals as a balanced budget, a broadening of health insurance, a partial restructuring of aid to the elderly so that it will be affordable when the baby boomers retire, some version of campaign finance reform. But he doesn't need a cabinet shake-up for any of these. The issues are pretty well understood, and the people already in place can do the job.

Treasury Secretary Robert Rubin, who will stay, is a solid leader of the economic wing of the cabinet. Frank Raines will be a capable budget director. Donna Shalala at the Department of Health and Human Services and Carol Browner at the Environmental Protection Agency have both been capable performers. Representative Bill Richardson, named to succeed Secretary of State-designate Madeleine Albright as UN ambassador, strikes us, among the new nominees, as a particularly lively choice.

Chicago lawyer Bill Daley appears well suited to be commerce secretary. Commerce, however, is likely to be at the center of much contention in the investigations that will be going forward; and it is important that Mr. Daley, a preeminent Democratic politician, not put his political gifts to the use of trying to quash or otherwise impede those inquiries.

— THE WASHINGTON POST.

Other Comment

Let East Timor Vote

There is one objection to a referendum that deserves greater respect. That is that the likely result, a vote for East Timorese independence, would lead to the creation of a state that could not be viable. With a population still under 900,000 and few educated people, an independent East Timor would undoubtedly struggle. But, after so much bloodshed, the Timorese might still prefer to go alone. There are plenty of other small states dotted around the Pacific Ocean which manage to survive.

— The Economist (London).

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The West Fiddles While Central Africa Burns

By Jim Hoagland

WASHINGTON — In Zaire an important African country is disintegrating before the eyes of an uninterested world, while in New York the major powers have been provoking African nations to expend their energy and talent fighting each other over a job that has been robbed of much of its meaning and authority by that senseless conflict.

Washington, Paris, London and the other major capitals are fiddling while Central Africa descends another rung into its own special political Hell.

I understate. The big powers are shoving the stumbling Africans down the ladder, for their own short-term opportunistic reasons.

Doctors swear that their first duty is to do no harm. They must not make things worse. The interrelated struggles in Zaire and at the United Nations establish that diplomats and politicians do not feel similarly bound in practicing their arts.

Zaire's problems are largely of Zaire's making. The largest responsibility lies with its corrupt ruler Mobutu Sese Seko. Zaire will pay the price for Marshal Mobutu's thievery.

The American ambassadors and assistant secretaries of state who actively protected him from outside criticism and scrutiny have gone on to lucrative consulting businesses or better jobs in the Foreign Service. Marshal Mobutu was for them an instrument of the Cold War, not a moral issue. He was a problem not for their watch but for the sucker who would be making U.S. policy when the time of trouble came.

The time has come. The crisis in Zaire became more acute last week because of two developments there.

It became clear to the nation that Marshal Mobutu would not return from his sick leave on the French Riviera, where he has been fighting cancer. A longtime personal friend who spoke to him recently places the Zaire ruler at death's door. There is no clear line of succession or balance of power among his putative successors and no effective central government in place.

In the east, rebel forces allied with Rwanda's Tutsi-led government continued to advance along a front that now extends some 500 kilometers into Zaire. Zaire's army units broke and fled from town after town. The rebels now control enough territory to establish a regional government, and they claim that they will march all the way to the capital city of Kinshasa.

"Zaire confronts two possible futures now," an African diplomat says. "The least bad one is that there is de facto partition, with six distinct regions emerging. A strong mining region, like Shaba, will have its own currency and political system. The other available future is one of a bloody power struggle at the center and a civil war that will destabilize the entire region."

Neighboring Angola, an increasingly important source of oil for the United States, would certainly be dragged into the conflict. Jonas Savimbi, the Angolan rebel leader, still has a significant military force along the Zaire-Angola border and will not stand idly by if Zaire disintegrates.

Either scenario — partition or war — will shake the political order of post-colonial Africa and tempt foreign nations and business interests to resume meddling in internal African conflicts.

The Clinton administration's Africa experts have until now played the developing crisis in Zaire on a day-to-day basis and avoided being sucked into trying to save Marshal Mobutu's regime. That course has been prudent.

But the crisis has reached a turning point — one that would normally trigger a serious American effort to engage the international community and make sure that the Zaire crisis does not spin out of control. It should be a textbook opportunity for the preventive diplomacy that Bill Clinton vowed would distinguish his presidency.

Instead, Washington contributed mightily to paralyzing the United Nations at this crucial moment by letting its spiteful attempt to oust Secretary-General Boutros Boutros Ghali dominate while Zaire burned.

The major powers' cynical disregard for Africa's interests surfaced clearly last week as Britain joined America in ruling out officials from ex-French colonies as Mr. Boutros Ghali's successor, while France vetoed an English-speaking African candidate.

France dropped its veto on Friday, clearing the way for Ghana's Kofi Annan to replace Mr. Boutros Ghali. But the major powers cannot cleanse the record of this tampering with a continent's destiny for petty reasons.

The Washington Post.

Beijing Needs to Understand What Makes Hong Kong Special

By Thomas L. Friedman

HONG KONG — Lu Ping, the Chinese official managing Beijing's takeover of Hong Kong, was explaining a while ago why press freedom in Hong Kong would have to be regulated after the city reverts to China on July 1.

He said in all seriousness that if a journalist in America were to call for a different form of government or for the independence of Hawaii, "Will it be allowed? I don't think so." Therefore, he added, it's hardly unusual that journalists in Hong Kong would be barred from calling for the independence of Hong Kong or for a new government in Beijing.

That statement tells you all you need to know regarding China's assumption of control over Hong Kong, the first time in history that a part of the free world is being absorbed by a Communist state.

I believe that China has no desire to intentionally harm Hong Kong's unique, freewheeling character. Hong Kong is a goose that lays golden eggs. But while China's intentions may be benign, its capabilities are another matter. A senior Hong Kong official remarked to me, "I'm not sure they really understand what the goose eats."

China's incentives for preserving Hong Kong's special character are many.

If it absorbs Hong Kong successfully, without undermining it, Beijing will at least be able to say to the people of Taiwan, "Look, you, too, can come back to the motherland without losing your special status." But if China fails in Hong Kong, Beijing can kiss good-bye forever to the notion of a peaceful unification with Taiwan.

China has an obvious economic incentive in keeping Hong Kong a magnet for investment in China, and Beijing also has a deep desire to prove that it can rule Hong Kong better than the British imperialists. But there's the rub. Hong Kong is not just another Chinese city, once lost and now being reabsorbed by the motherland.

Hong Kong today is the epitome of a postindustrial city. It is now much more of a global village than a Chinese village. More than 80 percent of its people work in services directed to the global economy.

It has moved far beyond the days when it made plastic flowers and cheap radios. It is now a beehive of knowledge-based industries serving Asia.

It is an energetic city that thrives by being fast, not by being big, and its particular skill is putting together faster than anyone else those deals where the money is raised in Wall Street, the legal framework, design and marketing are done in Hong Kong, and the backroom manufacturing is done somewhere else in Asia.

But a knowledge-based city depends on the free flow of information and ideas and on transparent transactions. That's what this goose eats. No info, no eggs.

Hong Kong's return to China is not just a slice of the West being given back to the East, it is a slice of the future being given back to the past. Whatever their intentions, the capabilities of China's leaders to understand the importance of free information for a city like Hong Kong, and their ability to manage that information flow without debasing it with whispers, raised eyebrows or pressures for self-censorship, are still very limited. (See Lu Ping.)

A diplomat here remarked to me of China's aging leaders: "These guys did not have lemonade stands when they were little" — they put no value on the free flow of information, they truly believe that you can separate free economic speech from free political speech.

"Hong Kong is a bridge culture, China is a fortress culture," said Michael DeGolyer, who monitors the transition at Hong Kong Baptist University. "Bridge cultures live off tolls — they make a little bit of money on each transaction. The more openness, the more traffic, the more interactions, the more flows of information, the better Hong Kong does. But China's image is the Great Wall. China interacted with the world for years by selectively opening doors to the outside and then letting visitors into very small, confined rooms."

So, what worries me about Hong Kong's future is not what China knows about Hong Kong, but what it doesn't know. What worries me is not whether China will do big things to change Hong Kong, but whether it will understand that even doing little things will ultimately spoil this unique city's unique character.

The New York Times.

Getting Rid of America's Nuclear Weapons Isn't a Good Idea

By Richard N. Haas

WASHINGTON — More than 60 retired generals and admirals from more than a dozen countries have signed a statement calling for the abolition of nuclear weapons. Their ideas should be rejected.

Nuclear weapons have made a major contribution to world peace. The Cold War remained cold only because both the United States and the Soviet Union understood that any direct confrontation between them would likely escalate into a nuclear holocaust.

The generals and admirals say nuclear weapons are expensive, dangerous and unnecessary. The first two points are indisputable, but the third is not.

The American nuclear arsenal aids deterrence in hot spots such as the Korean Peninsula, where there has been no real war for four decades. These arms may be useful one day in persuading a rogue state such as Iran or Iraq not to attack one of its neighbors. Fear of American nuclear retaliation may well have deterred Saddam Hussein from using biological agents against allied forces during the Gulf War.

Besides, abolition of nuclear weapons is impractical. You cannot disinvent an idea. The technology to build nuclear missiles is widespread, and eliminating them from America's arsenal will not keep them from appearing elsewhere.

Calling for their abolition assumes that the declared nuclear powers will agree not only to destroy their weapons but to do so in concert. The day all the great powers are prepared to do this together is the day the history of international relations as we have known it for three and a half centuries will have ended.

It is also quixotic to think that states with secret nuclear programs will abandon their efforts if the big powers disarm. Such reasoning ignores history.

Those countries that in the past have eliminated their nuclear ambitions — Argentina, Brazil, South Africa — did so only when they determined that the weapons were no longer necessary for their immediate security. It had nothing to do with what the Americans and Russians were doing.

The same is likely to hold true in the future. Pakistan wants nuclear weapons to offset India's greater size and conventional military strength. India sees nuclear weapons as necessary in balancing China. Israel, surrounded by traditional enemies, has long viewed nuclear arms as the ultimate deterrent. None of these countries would likely be swayed if the great powers destroyed their arsenals.

Renouncing atomic weapons would disrupt American alliances. It would raise questions about U.S. reliability to defend U.S. allies and interests, and it would lead to conventional arms buildups in Asia and elsewhere.

Even if they agree to destroy their existing arsenals, most of the nuclear powers, declared or otherwise, would undoubtedly keep a stock of all-but-finished bombs as a hedge against those who cheat and break the ban.

U.S. policymakers and diplomats have made great progress in recent years in reducing and stabilizing the American and Russian arsenals. The goal should be to continue these efforts — starting work on guidelines for the next bilateral weapons reduction treaty, which would help persuade the Russian Parliament to ratify START-2 — and to concentrate on better ways of stopping the flow of nuclear technology and materials to outlaw states.

The notion that destroying America's arsenal will solve its principal foreign policy challenges is a dangerous delusion.

The writer directs foreign policy studies at the Brookings Institution. He contributed this comment to The New York Times.

A Deserved Award for a Writer of Big History

By William Pfaff

AMSTERDAM — The retired University of Chicago historian William H. McNeill, a Canadian-American, has been given the Netherlands' Erasmus Prize for his many books on the "big history" of humanity.

These include "The Rise of the West" (1963), "Plagues and Peoples" (1976) and "A History of the Human Condition" (1986).

The award, given at the royal palace in the presence of Queen Beatrix, was an act subversive of the conventional wisdom, since Mr. McNeill's work — precisely because it deals with history in the widest terms — is regarded by mainstream professional historians as unscientific or even as unserious.

But possibly the Erasmus Foundation's act was one of anticipation. Mr. McNeill's belief in the importance of "big history" has begun to find an echo and endorsement in some professional circles, notably in the Netherlands.

Historians between the world wars turned away from large-scale history because it seemed mere lists of kings and battles, or politico-moral instruction in disguise, without scientific rigor. The history of ordinary people was substituted, as could be discovered in the documents of everyday life — in town and village records, economic documents, the evidence of the lives of individuals.

This coincided with Marxism's interest in the history of "the people" writ large, seen as a predetermined conflict of the working class with the propertied classes. In the last few years there has been new attention to the history of women and other social groups ignored in the past.

However, it is extremely difficult to write history without deriving meaning from it or attributing meaning. There is an obvious political motivation in the new attention to women and excluded groups.

Neo-Marxism remains influential. Orthodox Marxism purported to be a science but was actually a secularized religion, a story of salvation, with an implied or explicit program of action. Neo-Marxism has not escaped its legacy.

The danger in "big history" is that it slips into some version of secularized theology, or at least of eschatology — meaning a concern with where mankind is going and why. The amateur must ask if this is not why people read history. Why read it if the past is not part of some intelligible story about man and where he is headed? In the past, historians as well as theologians provided answers.

Christian Europe from the time that it began thinking in historical terms — that is to say, about events as they led from the past into the future — assumed that history's fulfillment would be the Messiah's second coming. The meaning of history for religious Jews was and remains the anticipation of and preparation for the Messiah.

Europeans and Americans began to see history in wholly secular terms only in fairly recent times, but still wanted to believe that it was "meaningful" — that it was going someplace. Thus Marxism and its ideological derivatives.

Four decades ago the English scholar Arnold Toynbee completed an immensely influential history of civilizations which said that they progress or fail according to their ability to master challenges.

He was attacked for attributing a religious significance to this process, but also because of the very scope of his work and of his generalizations. He was an influence on Mr. McNeill, but today is largely ignored (unjustly, in my view).

Much less sophisticated historical generalizations are at work today when people say that we are on the march toward a more just society, a unity of the democracies, an integrated and prosperous global marketplace (all described, by Americans, as the vindication and fulfillment of American values).

Many in the West have substituted this belief in progress for an earlier generation's belief in religious destiny. When the Cold War ended, Francis Fukuyama announced that we had already arrived at where we were going. History was "over," and creating liberal democratic society was what it had all been about.

Yet the idea that history is "about" something is what Western professional historians generally reject today, as does Mr. McNeill. They say that we study the past for what it tells us about people in the past, and even about ourselves, but all we can know in any scientific sense is what the surviving documents tell us about what already has happened.

Mr. McNeill says simply that man develops by means of the encounters and communications between human groups, in which the less skilled and less sophisticated learn from the more skilled by borrowing and adapting from them.

This is modest and plausible, but seems to take progress for granted, and assume its continuation, without distinguishing between the material and moral components of progress, and without analyzing the latter (which seems odd in a man whose father was a Calvinist historian of religion).

The new interest in "big history" would seem to be connected with a new concern for the meaning of progress, an essential element in the effort to come to terms with the moral experience of the 20th century.

There is a fundamental difference between scientific and nonscientific forms of speculation and knowledge, but the latter is as legitimate as the former, and closer (dangerously so) to what people really want to know. Recognition of this fact may have lain behind this richly deserved award.

International Herald Tribune.
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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Manila Besieged

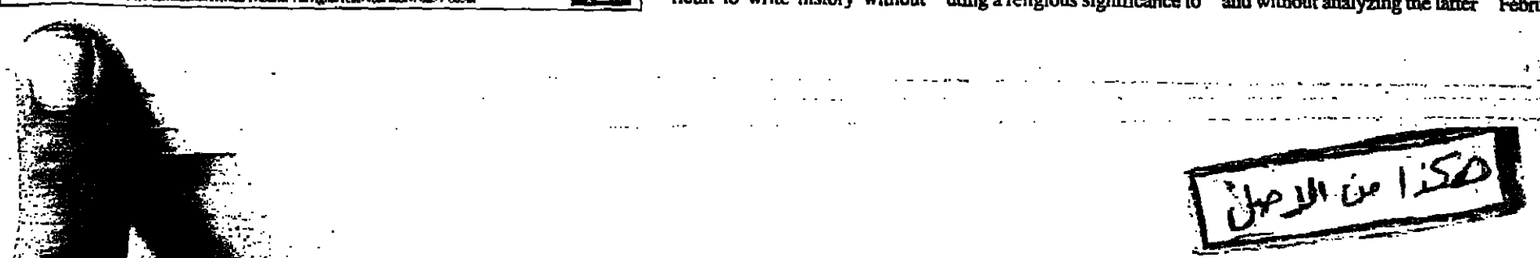
MANILA — The provinces of Balavan, Cavite and Laguna, in the island of Luzon, and quite near the capital, Manila, are still the rebel strongholds in the Philippine Islands. The Spanish garrison under General Aguirre holds the town and fortress of Old Cavite, though it is surrounded by rebels except on the coast, which the Spanish flotilla dominates. The situation in Manila is very strange. We are living in a state of siege, but admirable order is preserved. Executions are so common that their occurrence has lost its excitement.

1921: German Debts

PARIS — The German Government yesterday [Dec. 15], in a Note to the Reparation Commission, officially pleaded the inability to make the full reparation payments due on January 15 and February 15, while also intimating that difficulties will arise in connection with subsequent payments. Failure of the German negotiations in England to obtain a foreign loan is given as the reason why Germany's efforts to ensure the payment of the two instalments have proved unsuccessful.

1946: Arms Reduction

NEW YORK — The United Nations General Assembly, in a remarkable display of unanimity, adopted an all-inclusive program for general disarmament and the prohibition of mass-destruction weapons. The statesmen of fifty-four nations approved the tediously-wrought blueprint through which armies might shrink, ships become scrap and atomic bombs be destroyed. Its adoption was a foregone conclusion since the Foreign Ministers of Russia, Great Britain and the United States had given it unqualified endorsement.



هكذا من الاصل

LANGUAGE

From the Gulag to the Laogai

By William Safire

WASHINGTON — "I want *laogai* to become a word in every language," said Harry Wu, the Chinese dissident, to Gerald Seib of The Wall Street Journal.

After a stretch of 19 years in labor camps for being a troublemaker — that word is the title of his new book — Wu found refuge in the United States. He returned four times to China to document conditions in the camps, where prisoners are "re-educated" doing menial work in fields and factories; on his last trip, he was arrested and became a cause célèbre for two months until his release.

Why does he want to publicize the Chinese word *laogai*, which rhymes with "Now, guy"? It means "reform through labor," a phrase that seems to suggest healthful exercise but is a euphemism for "humiliation by being forced into menial labor for no pay." According to Charles Laughlin, who teaches Chinese literature at Yale: "The word is particularly applied to intellectuals who are sent to labor camps located in isolated areas in the countryside."

Perhaps because he understands the power of a word to define and then become a rallying point for an international protest.

When Alexander Solzhenitzyn wrote "The Gulag Archipelago" in 1973, his investigation of the network of Soviet prison camps made famous the acronym for *Glavnoe Upravlenie ispravitel'-no-trudovykh LAGerei*, meaning "chief administration of corrective labor camps." The word-picture of an archipelago — a sprinkling of islands in a large sea — combined with the acronym suddenly brought into geographic focus what had been an amorphous idea of prisons everywhere. After that, "the Gulag" — no *archipelago* needed — became the word-symbol of Communist oppression.

That is what Harry Wu is seeking with *laogai*. By making famous the unfamiliar word, he seeks to dramatize the discomforting fact of slave labor. Political scientists have no difficulty with that — many human rights activists urge him on — but linguists wonder whether any Chinese word lends itself to adoption in the West. (One that has is *coolie*, the Anglicized spelling of *kuli*, found in both Chinese and Urdu, meaning "low-paid worker," used mainly in English now in the phrase "coolie wages." Another is *gung-ho*, originally taken by U.S. Marines in 1942 to mean "work together" and now meaning "enthusiastic," which comes from *gonghe*, a clipped form of the Chinese words for "Chinese Industrial Cooperative Society.")

Another word appearing in articles about campaign finance scandals called "the Asian connection" is *guanxi*, pronounced "gwahn-shee." This means "the network of personal, familial, and commercial relationships used by East Asian men to advance their interests," and is being applied by muckrakers to the network of political and business associations in Little Rock, Washington and Jakarta. Headline writers have called this "the Asian Connection," and those who insist that all scandal bear the *-gate* suffix slug it "Indo-gate" or (after the Lippo Bank) "Lippo-gate."

Although the term *guanxi* as used by Asians has a benign connotation as the interplay of favors, jobs and status among the upwardly mobile, its use by Westerners carries the clear connotation of bribery, political fixing and general corruption.

□

Last-minute thoughts on books for holiday giving of interest to language lovers.

"Writing on the Job," by John C. Brereton and Margaret A. Mansfield (Norton, $19.95): "*Hostess* is fine for a woman giving a party, but a woman with a television or radio talk show is a *host*." This pocket guide to business writing and editing is chock-full of examples of how to write memos, fliers, interviews — even letters that can be sent by snail mail.

"Grow Your Vocabulary by Learning the Roots of English Words," by Robert Schleifer (Random House, large paperback, $13), has a very long title, but it daringly describes what is inside. I missed this when it came out last year, but have just discovered how helpful it is in figuring out meanings in a flash. (Among "99 phobias" is *homilophobia*, "fear of sermons.")

"Morals and manners," said Jason Chamberlain to the University of Vermont in 1811, "will rise or decline with our attention to grammar." Yeah. I found that in the American Heritage Dictionary of Quotations, selected and scrupulously annotated by Margaret Miner and her husband Hugh Rawson (Penguin, $29.95). I like quotation anthologies like this that put famous words in context: "Blaine, Blaine, James G. Blaine, the Continental liar from the state of Maine" was the heckling line in 1884 that drew the comeback from Republicans "Ma, Ma, where's Pa? Gone to the White House, ha, ha, ha," about Grover Cleveland's fathering a child out of wedlock. And we complain about negative campaigning.

□

"To drop her now would almost certainly be criticized by Republicans as a self-protective maneuver by the president," wrote David Johnston and Todd S. Purdum in The New York Times about Attorney General Janet Reno. "Any replacement in those circumstances would be attacked as a political *pasty*."

That was an inspired updating of the word-figure about cover-up too often expressed as the clichéd "fig leaf," I thought, but the word was misspelled. In 1954, erotic dancers or strippers started calling the small disks covering their nipples *pasties*, and the word is always used in the plural, as a single *pastie* would be in the category of one hand clapping. (The spelling ends *-ie* to differentiate the noun from the adjective *pasty*, "unhealthily pallid.")

When I offered this praise and correction to Johnston, he sheepishly replied: "The word I meant was *patsy*. It was a typo. Never would use a metaphor like *pasties* in the same sentence with the attorney general."

From the frying pan to the fire. Whenever I use *patsy* to describe a *pushover*, as in "the patsy prosecutor," I get letters from Irish-Americans protesting that the word is rooted in *Patrick* and, like *paddy wagon*, is an ethnic slur. Informed of this dilemma, my colleague turned pasty-faced.

New York Times Service

BOOKS

BERTRAND RUSSELL: The Spirit of Solitude, 1872-1921

By Ray Monk. Illustrated. 695 pages. $35. Free Press.

Reviewed by Richard Bernstein

BERTRAND RUSSELL might possibly have been the smartest Englishman since John Stuart Mill, who, not coincidentally, was Russell's godfather and a close friend of his father's. And yet, Russell was a powerfully flawed figure, eloquently self-absorbed and self-dramatizing, capable of remarkable callousness, especially in matters of love.

Russell's philosophical writings, moreover, unlike those of his celebrated godfather, have not stood the test of time especially well. He was, to be sure, the founder of analytical philosophy, which still dominates philosophical thought in England and America. But even many analytical philosophers, as the University of Virginia's Richard Rorty wrote in a recent essay in The New Republic, have been asking "how anybody as smart as Russell could ever have been foolish enough to hold his absurd views."

Brilliant and foolish but exceedingly interesting in both of those qualities: That would be a pretty good summing up of the Bertrand Russell who emerges from this new, ambitious, penetrating and enfolding biography by Ray Monk, a philosopher who teaches at the University of Southampton in England.

This book, the first of two projected volumes, takes Russell from his birth in 1872 into one of England's most distinguished and well-connected families to his second marriage in 1921 and the birth of his son. Monk weaves together Russell's mathematical and philosophical investigations with his private life, devoting rather more time to the passions and sorrows of the latter than to the former.

Russell, who lost both parents when he was still a small boy, led private, political and philosophical lives linked together, in Monk's vision, by a powerful, driving effort to overcome two lifelong fears: solitude and madness.

He was prone to falling in love with women married to other men, while denigrating the women who were available to him. Among these married women was Vivien Eliot, the wife of the poet T.S. Eliot; Evelyn Whitehead, the wife of his collaborator on "Principia Mathematica," and, most important, Ottoline Morrell, whose husband, Philip Morrell, Russell had supported in an election in 1908.

It is hard to imagine Russell retaining heroic stature after Monk is finished with him, but it is important to bear in mind not only his brilliance, but also his courageous iconoclasm and his unwillingness to bend his principles even if it meant going to prison, as Russell did for six months during World War I. "Our hearts build precious shrines for the ashes of dead hopes," Russell once wrote to Mrs. Morrell, giving expression to a complex, dense vision brilliantly captured in this book.

Richard Bernstein is on the staff of The New York Times.

BRIDGE

By Alan Truscott

ALTHOUGH there might be objections from Britain and Australia, there is an expert consensus that the world's leading bridge magazines are American.

One is the granddaddy of them all: The Bridge World, 57 years old. It is edited by Edgar Kaplan and Jeff Rubens, and is unrivaled in its coverage of world and national competition.

Its young rival is the eight-year-old Bridge Today, which has an impressive stable of expert writers reporting on the current bridge scene and new ideas. Its lively and quirky outlook is due to the American expatriate editors, Matthew and Pamela Granovetter, who live in Israel.

Mrs. Granovetter, and her husband, recently won a major event with the help of the diagramed deal.

As South, she would have made her three no-trump contract easily after a routine heart lead. But West led the spade queen, removing a crucial entry to the dummy, and she won with the king. She led a diamond to the king, in the faint hope that somebody would win, but West ducked.

The heart king was led, and West won with the ace and led the spade ten. The ten was allowed to win and West followed with the four. Dummy won with the ace, and South knew that she needed three club tricks to make her contract.

The routine play was to finesse in clubs, but this could not produce the required three club tricks. West was known to have begun with four spades, five hearts and at least two diamonds.

That meant at most two clubs, and South tried a long shot. She played the diamond queen from the dummy, and after taking the diamond ace and a spade winner West did the best he could by leading a heart.

South won, played the club ace and was happy to claim her contract when the club king obligingly fell on her left. She had made two spade tricks, three heart tricks, one diamond trick and three club tricks.

NORTH
♠ A K 8 2
♡ 4
◇ Q J 10 9 8 7 3
♣ 3

WEST (D)
♠ Q J 10 4
♡ A 9 8 6 3
◇ A 4 2
♣ K

EAST
♠ 9 6 5
♡ 2
◇ 6 5
♣ 10 9 8 6 5 4 2

SOUTH
♠ 7 3
♡ K Q J 10 7 5
◇ K
♣ A Q J 7

Both sides were vulnerable. The bidding:

West	North	East	South
1 ♡	2 ◇	Pass	3 N.T.
Pass	Pass	Pass	

West led the spade queen.

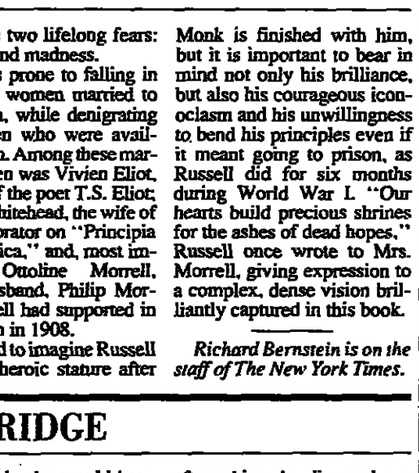
CROSSWORD

ACROSS

1 One-named supermodel
5 Ready and willing's partner
9 One praised in Mecca
14 Attorney General Janet
15 Paris's Rue de la —
16 French valley
17 Tiny tunnelers
18 Ingrid's "Casablanca" role
19 Not evenly padded, as a mattress
20 Like an animal ...
22 Historical period
24 Use a crowbar
25 Cream puff, for one
29 Miles per hour, e.g.
31 At the present
34 In the future
35 O. Henry's "The Gift of the —"
36 — Gigio (frequent Ed Sullivan guest)
37 ... vegetable ...
40 Pulled to pieces
41 Ontario tribe
42 Blabs
43 Muddy home
44 The former Mrs. Bono
45 Better than better
46 Texas patriot Houston
47 Buddy
48 ... or mineral
55 Assign, as a portion
57 Polly, to Tom Sawyer
58 "The Andy Griffith Show" role
59 River by the Louvre
60 Manuscript encl.
61 What a cowboy calls a lady
62 Flute player
63 New World abbr.
64 Alka-Seltzer sound

DOWN

1 Mideast hot spot
2 Bill of fare
3 The "A" of ABM
4 Pinocchio's giveaway
5 Bee colony
6 Light wood
7 One of "The Simpsons"
8 Test
9 Magnetism
10 Stinky
11 7-Up ingredient
12 Dadaist Hans
13 "Yo!"
21 — — cotta
22 Of the eye
25 Treaties
26 "The game is —": Holmes
27 Tale
28 Prefix with photo or phone
29 Indy entrant
30 Tropical fever
31 Lofty
32 Foreign-made General Motors cars
33 Deserving the booby prize
35 Stallion's mate
36 Federal agents, informally
38 Noodlehead
39 New York city
44 Reagan's predecessor
45 Speed demon's cry
46 Precious —
47 Parson's home
48 Accident on ice
49 "The Right Stuff" org.
50 U.S. Pacific territory
51 Frolic
52 October gem
53 "See you," in Sorrento
54 1996 running mate
55 Nile viper
56 Maui garland



Puzzle by Stephanie Spadaccini

Solution to Puzzle of Dec. 13

S	T	A	R	E		L	A	R	A			W	R	Y
H	A	M	E	L		P	R	O	C	A	R	E	E	R
A	T	I	L	T		S	P	I	T	F	I	R	E	S
M	A	R	I	O	N			L	O	F	T	E	D	
			C	R	O	S	S		R	E	T			
M	E	L	T	O	R	M	E		S	C	E	N	E	I
E	W	E	S		M	E	A		S	T	R	O	L	L
S	E	W		S	A	W	P	I	T	S		I	I	I
T	R	I	P	O	D		I	C	U		A	S	T	A
A	S	S	U	M	E		G	O	D	S	P	E	E	D
			R	E	S		S	N	I	P	E			
	C	H	R	O	M	E			O	I	L	C	A	N
T	R	U	E	N	O	R	T	H		G	I	O	C	O
H	A	R	D	E	N	E	R	S		O	K	R	A	S
O	W	L			D	I	E	T			T	E	E	T	H

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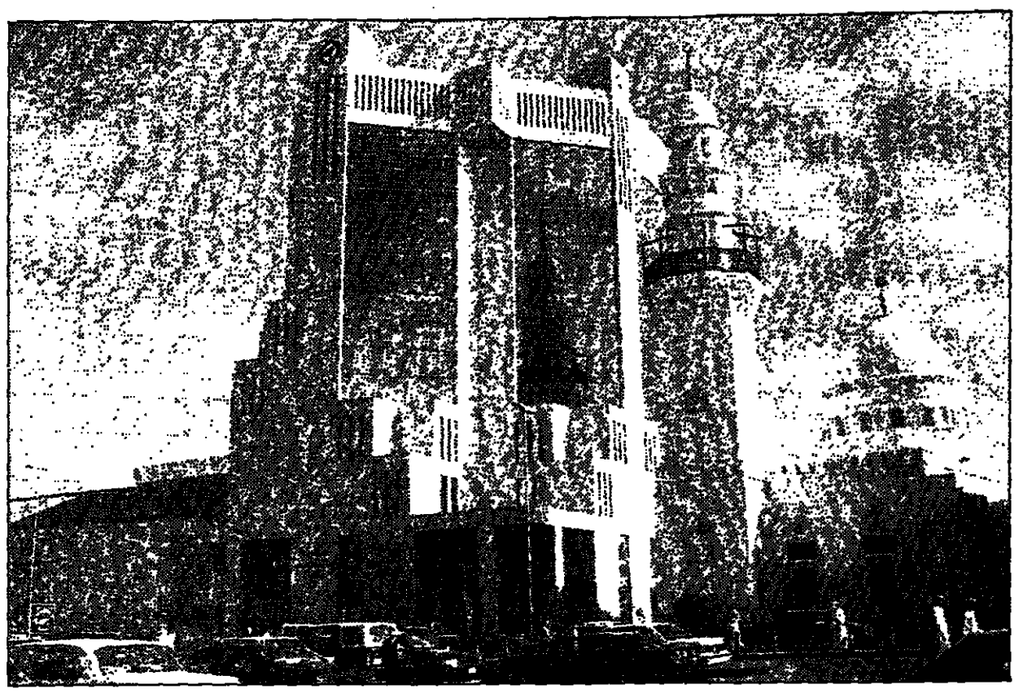
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BAHRAIN

Bahrain Telecommunications Company's new Commercial Center in Manama, Bahrain: Telecommunications has always been one of the key assets of Bahrain, which has made remarkable strides in financial and industrial development over the past 25 years.



THE ISLAND CELEBRATES 25 YEARS OF INDEPENDENCE

Bahrain has made impressive strides in developing tourism, finance and industry.

In the past quarter century, Bahrain has become one of the most progressive and liberal states in the Gulf, and it has established itself as a leading banking and financial center.

Enormous strides in development have been made since the island ceased to be a British protectorate in 1971. This Dec. 16, the island celebrates National Day, and the Bahrainis can look back with justifiable pride at what has been achieved in one generation. They also have to prepare themselves for the economic challenges ahead – notably, increased competition from their richer and larger Gulf neighbors. Bahrain is also attempting to create more employment for nationals, bridge the generation gap, increase democratization in government and continue to diversify the industrial base.

Offshore banking center

Bahrain has already capitalized on its communications facilities, particularly voice and data transmission systems, which gave it the means in the 1970s to develop a thriving offshore banking business. Offshore banking units were established to recycle the Saudi Arabian petrodollars. At the peak of activity, there were around 78 OBUs, but the number has now dwindled to 48. Their total assets stood at just more than $61 billion at the end of June. The focus of attention is now on forthcoming privatizations (possibly including that of the troubled Gulf Air), the internationalization of the stock exchange and, more recently, Islamic banking.

"We need to keep the OBUs because they are one of the pillars of our existence here," says Mohammed E. Al-Shroogi, chairman of the new Citi Islamic Investment Bank. "The offshore banking sector's piece of the financial cake is steadily shrinking as other banks become more and more sophisticated. However, I think there is still a need for foreign banking operators in this region. For one thing, it makes the market more competitive, especially for local banks, who are hiring better expertise and becoming stronger."

Islamic banking

There are now more than 10 Islamic banking and finance entities. Their growth has prompted the Bahrain Monetary Agency to set up a full Islamic banking audit section. The BMA is almost certainly the only central banking authority to have taken such action.

The overall economy has been under some strain, but according to the latest figures from the BMA, there has been a 6.5 percent rise in government revenues and a 4.7 percent cut in spending, which has helped to reduce the budget deficit to 65.3 million Bahrain dinars ($173.2 million). Gross domestic product has grown by 4 percent, to $5 billion, of which 16 percent came from crude oil and gas sales. Higher oil revenues led to a trade surplus of $466 million in 1995, compared with the previous year's deficit of $131 million.

One of the biggest boosts to the flagging economy has been Saudi Arabia's agreement to transfer to Bahrain the whole of the 140,000 barrels a day output from the previously shared Abu Saafa field. This provides an additional $200 million a year.

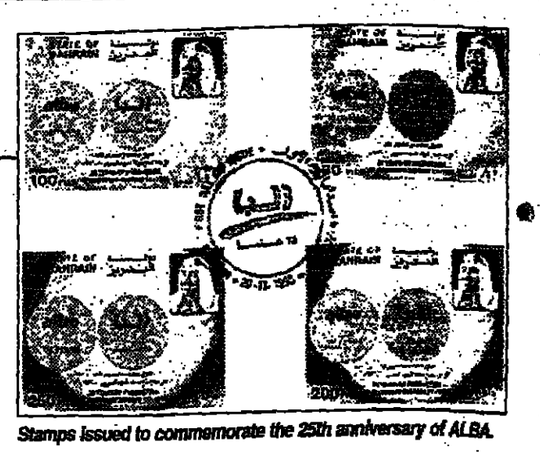
Bahrain has becoming an important refining center for Saudi oil. The Bahrain Petroleum Company (BAPCO), a joint venture with the United States' Caltex, refines an average of 251,000 barrels a day. BAPCO is carrying out an $80 million upgrade to its blending and tankage facilities. Other developments are taking place in the downstream petrochemical sector.

Industrial flagship

The flagship of industrial diversification is the aluminum smelter ALBA, which also celebrates its jubilee this year. Further expansion will enable production to be raised to more than 500,000 tons a year, making it one of the largest and most efficient smelters in the world. Other plans for the future include a possible iron ore direct-reduction plant, to be built by the Indian Ispat Group, and a steel rolling mill, which will be constructed by Prakash Industries.

The government has introduced a complete package of incentives for foreign investors; these include 100 percent foreign ownership so as to encourage further industrial diversification. Recent civil unrest, which the government says is now under control, has not helped to instill investment confidence. Part of the problem is the lack of jobs, with up to 90 percent of the registered unemployed being high school graduates.

In order to create a better dialogue among all sectors of society, the Amir, Sheikh Isa bin Sultan Al Khalifa, announced last summer that he was re-establishing and expanding the Shura Council (Consultative Committee), which should help to allay investors' doubts about the future. ●



Stamps issued to commemorate the 25th anniversary of ALBA.

CREATING THE METAL OF THE 21ST CENTURY

Aluminium Bahrain has played a key role in Bahrain's development.

The cornerstone of Bahrain's industrial development during the past 25 years has been Aluminium Bahrain (ALBA), which also celebrates its jubilee this year.

As ALBA has grown, so too has Bahrain's industrial base. In 1971, there was no modern manufacturing of any kind, just a few simple trade shops where traditional skills like copperbeating and woodwork were carried out. The big white hope for the future lay in ALBA, which had just started to come onstream after Sheikh Isa bin Sulman Al-Khalifa, the amir, poured the first hot aluminum metal on May 11, 1971. Since that day, more than 5 million tons of aluminum have been produced.

The smelter has been updated and expanded many times. In 1989, approval was given to increase production by an additional 235,000 tons a year, to 460,000 tons. This expansion was completed in 1994. Last year, approval was given for a further expansion, which will make ALBA one of the largest and most modern aluminum producers in the world. By the end of December, production is expected to reach nearly 500,000 tons.

"What has been achieved since 1971 is outstanding by any standard," says Sheikh Isa bin Ali Al-Khalifa, the oil and industry minister who was appointed ALBA's chairman last year. He succeeds Yousuf Ahmed Shirawi, the former minister of industry who had guided ALBA through some of the most important stages of its development.

Objectives achieved

Speaking at a ceremony to mark ALBA's anniversary last month, Sheikh Isa bin Ali said ALBA had fulfilled one of its original objectives, which was to help diversify the economy away from dependence on oil. "Two other objectives have also been achieved – namely, to create employment and training opportunities for our people and to make optimum use of our natural energy resources," he said.

"ALBA is also one of the largest and most technologically advanced and environmentally efficient plants of its kind with an international reputation for quality products," he added.

Another person who has nurtured the smelter from birth to the present is Gudvin Tofte, the Norwegian chief executive of ALBA. He recalls some of the difficult times in the past. "We had a high share of technical problems in the beginning," he says. "Many of our original processes are now outdated. It took us about six years to drag ourselves out from under those early complications."

The turning point

Mr. Tofte believes that after the Bahrain government decided to became ALBA's principal shareholder in 1978, there was a substantial change in the smelter's development. "After the government gained confidence in the smelter and the aluminum industry, things started to look up," says Mr. Tofte.

He gives tribute to the 2,000-strong labor force, which is almost entirely Bahraini. "More than 60 percent of our work force has been with the company for over 15 years or longer," he says. "Many of them have become highly trained and well educated during the time they have spent with the company."

He adds: "I have always supported what many industrialists have been saying for years – that aluminum will become the metal of the 21st century."

He also predicts a greater growth in local downstream industries, many of which are already flourishing; these include Bahrain Atomizers (atomized powder for paints and explosives), BALEXCO (extrusions), Midal Cables and Garmco (rolling mill). More recently, Aluwheel was established to manufacture auto wheel hubs for BMW and Mercedes Benz, and BAMCO makes high-quality alloy parts for the auto industry. ●



THE COMPETITIVE EDGE

Gulf International Bank (GIB) is a wholesale commercial bank based in Bahrain. It is wholly owned by Gulf Investment Corporation (GIC), the international investment banking corporation owned equally by the governments of the six member states of the Gulf Cooperation Council (GCC) – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. This ownership provides a guarantee of financial strength, integrity and commitment to the regional markets.

GIB offers a comprehensive range of wholesale commercial banking services including Corporate and Islamic banking and Treasury activities. Target clients include major indigenous private-sector corporations, Gulf based financial institutions, multinational companies active in the region and the governments of the GCC States themselves.

To support our clients and provide them with a competitive edge, we offer a detailed knowledge of the area, technical expertise and the latest sophisticated operating systems. We are present in Manama, London, New York, Singapore, Abu Dhabi, Beirut and Muscat.

GCC market knowledge, expertise in its industries, extensive product skills, international reach and a commitment to excellence are distinguishing features of the bank.

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Bahrain Telecommunications Company, (Batelco) has, for fifteen years now, been taking huge strides forward.

Through a commitment to reinvestment in state of the art technology, we have become one of the finest communications companies in the Gulf Region. Within this short period, Batelco has introduced and established a range of services including: Bahrain Internet Service (i-net), ISDN, digital exchanges, international mobile services, voicemail, Stardial, leased circuiting, Faxline 100, Skyphone and the Batelco Telecard.

Taking the region into the next century fully equipped to take advantage of the new opportunities that will arise is one of the primary goals of Batelco.

But we don't get bogged down with technology. The investment we make is for one purpose only...

...to allow communication between any two people, at any point, possible...regardless of distance.

After all, that's why we're here.

Through corporate and consumer communications, international and local services and meeting customer needs with individually tailored communications packages...Batelco is preparing Bahrain and the Gulf region for the future.



بتلكو Batelco

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WRITER: *Michael Frenchman is based in Britain.*
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BAHRAIN

An Emerging Center For Islamic Banking

Several Bahrain-based banks are tapping the opportunities for Islamic banking.

One of the main reasons for Bahrain's rapid development during the 1970s was the offshore banking business, which was originally established to recycle Saudi Arabia's petrodollars. While the offshore banking units are still doing good business, the new focus is on Islamic banking.

Gulf International Bank (GIB) has been very active in the Islamic banking field for a number of years. "Bahrain is already closely tied into Islamic banking. We, at GIB, have been structuring a number of Islamic-based deals, in which we find there is a growing interest," says David Gates, assistant general manager (assets & liabilities).

"Bahrain is clearly positioning itself in the direction of Islamic banking. It clearly wants to add it as another aspect of its general financial services."

GIB is concentrating on high-quality Islamic services, including syndicated financing, private placements and leasing for its Islamic clients. "We are structuring a number of Islamic deals, which reflects the growing interest in this area," adds Mr. Gates. The bank is also considering establishing its own Islamic subsidiary.

The bank is losing its general manager Ghazi M. Abdul-Jawad to another Bahrain-based bank, the Arab Banking Corporation, where he will become president and chief executive.

Another record year

Mr. Gates says that GIB is on track for another record year. "We are significantly ahead of this time last year," says Mr. Gates. Net profit last year was $28 million, and half-year profits for 1996 amounted to $20 million.

Another player that may be about to enter the Islamic banking field is Al-Ahli Bank, which has been looking at the development of its Islamic banking activities. "We are like everyone else – we are looking very closely at this market," says Chief Executive Michael Fuller, who admits there have been difficult periods for the bank in the past.

"However, we are looking at next year with muted optimism. We have steadily increased our profits over the last four years, and in terms of return on equity and assets, we are the best performer among the commercial banks in Bahrain today," says Mr. Fuller. "We are perhaps small, but certainly perfectly formed."

In 1995, its total assets were $575 million, and there was a net profit of $1 million. By the end of the first half of this year, its assets had risen to $607 million and net profit stood at $1 million. One of its latest products is the "Al Rabeh" savings bond with monthly prizes.

The bank – which has a Bahraini woman, Sabah Al-Moayyed, as its general manager – is focusing its attention on serving the needs of overseas companies. "We are particularly looking at those companies who want to do business or establish representation, or commence manufacturing operations in Bahrain," says Mr. Fuller.

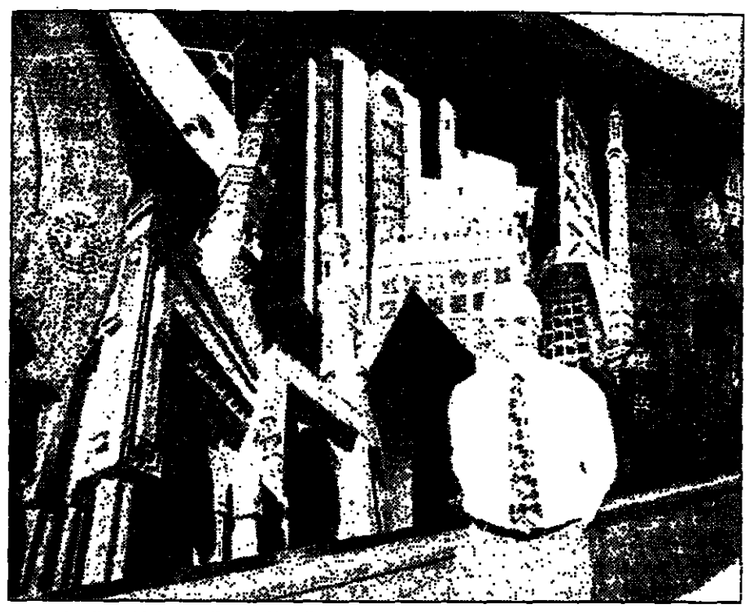
Full-fledged bank

Citibank, which had been providing services for its Islamic investors since the 1980s, has now opened a full-fledged bank – Citi Islamic Investment Bank (CIIB), which has a paid-up capital of $20 million.

"We saw this opportunity, made a plan, worked out a scenario that indicated reasonable activity in the Islamic world for Citibank and decided we could enter the market with a dramatic chance," says Mohammed E. Al-Shroogi, chairman of CIIB, which opened for business last September. He is also Gulf and Levant regional director for Citibank.

"We thought that the market needed an international bank with foreign know-how that could offer increased value for its Islamic customers," adds Mr. Al-Shroogi.

He estimates that the current size of the Islamic market is about $70 billion and that it will rise to $100 billion or more by the turn of the century. "It is a very reasonable size," he says modestly. "All the players are good customers of ours." ●



Michael Fuller, chief executive of Al-Ahli Bank, next to a photomontage by Deyana Ahmadi in the refurbished banking hall.

New Headquarters For NBB

As a symbol of its increasing importance and solidarity, the National Bank of Bahrain is due to move into its new headquarters building on Government Avenue, Manama at the end of 1998. The building will be 25 storeys high and will cost 12 million Bahrain dinars ($31 million). It will be the tallest building in Bahrain. Last year, NBB made a profit of $28 million. First half-year reports for 1996 showed a profit of $20 million.

Travelers Discover The Pearl of the Gulf

The island is small but offers a wide variety of attractions.

More and more visitors are now coming to Bahrain for their vacation. A recent study showed that 2 million people visited Bahrain in 1995, spending a total of $870 million.

"We find that this is really encouraging," says Kadhim E. Rajab, assistant undersecretary for tourism affairs, "but we believe that the real figures are much higher, and we are not counting the expats who come and go." He says that tourism now accounts for about 9.2 percent of the gross domestic product of the island, whose ancient name was "Dilmun" or "Pearl of the Gulf." The literal translation of Bahrain is "Two Seas."

Date palms and beaches

Most visitors arrive either at the newly extended international airport with its award-winning duty-free shop on Muharraq Island or across the King Fahad Cause-way, which links Bahrain with Saudi Arabia. Bahrain, much of which is covered with date palms, covers an area of about 240 square miles, or 622 square kilometers. Although it is relatively small, the island offers plenty of variety for visitors.

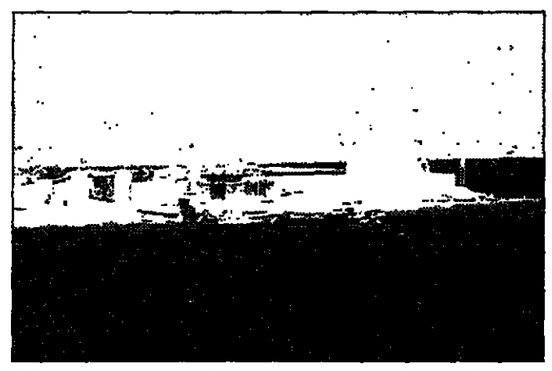
Among Bahrain's attractions are several beach resorts such as Al Bander, with its marina and fish market restaurant at Sitra; many archaeological sites, including the current excavations at Saar; and trips in dhows for fishing or visits to some of the islands such as Al Dar, which has a replica of Bahrain's castle on it. Other attractions include special tours around the island to see some of the traditional crafts like the coffeepot-makers at A'ali, where there are also thousands of burial mounds dating back to 2,000 B.C. and the ancient Dilmun civilization, or the weavers at Bani Jamra. A visit to the "Tree of Life" – an ancient, well-matured mesquite tree that stands alone in the desert sand near Jebel Dukhan (the mountain of smoke) – is a "must."

Another natural attraction is the wildlife park at Al Areen, which has more than 500 animals, including the rare Arabian Oryx. For the more erudite visitors interested in Islam, there is a unique collection of *Qurans* (Korans) at the Bait Al Quran.

Wind towers and five-star hotels

For those who want an idea of what living was like in the days before air-conditioning, there is the Bait Sheikh Isa, the House of Sheikh Isa bin Ali Al Khalifa, who ruled from 1869-1932. This house, which is in Muharraq and features the traditional wind tower for cooling, has now been restored and is open to the public.

Bahrain now has seven five-star hotels with a total of about 2,000 beds. One of the most recent to open is Le Royal Meridien, located about three kilometers from the Bab Al Bahrain (the Gateway to Bahrain), which is the center of Manama and entrance to the soukh area. Two other luxury beach-resort hotels are to be built on the Muharraq causeway and near the Al Fateh Grand Mosque. This month should also see the opening of the new 2,000-seat convention center at the Gulf Hotel, which is noted for its Japanese and Italian restaurants. ●



Al Dar Island: a popular offshore picnic spot for tourists in Bahrain.

A New World Opens Up in Telecoms

From the Internet to GSM mobile phones, BATELCO offers the latest in high-tech communications.

Bahrain Telecommunications Company has always been at the forefront of telecommunications development, which has been one of Bahrain's greatest assets.

"Suddenly we have a new world opening up, and it is just around the corner. If you are not on the Internet, you are dead," says Andrew Hearn, chief executive officer of BATELCO, which celebrated its 15th anniversary earlier this year.

One year ago, BATELCO set up a local access node so that computer users could key into the Internet via a Bahrain telephone number instead of having to make an expensive overseas call to Europe or the United States.

"It now costs just 600 fils [about $1.5] an hour to link up with the Internet, incredibly cheap compared with the cost of making an overseas call," says Mr. Hearn. "We have deliberately set a low price so that we can get a mass take-up of the service. Also, we believe that one of the niche markets for Bahrainis is for them to use their [information technology] literacy skills on the Net. Already we have 3,000 Net customers."

Establishing firewalls

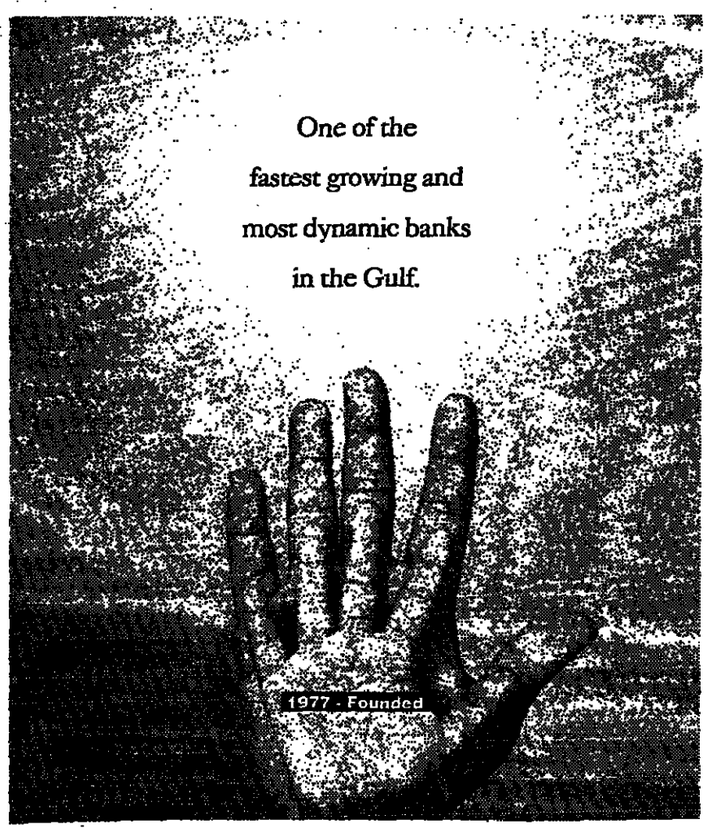
BATELCO has established "firewalls" around its Net node. These include built-in measures to minimize the spread of computer viruses via the Net and to try to eliminate "hacking."

He adds that BATELCO continues to invest heavily in capital expenditure and he sees no reason to pull back on investment. "We have now completed our downtown commercial building, which is in fact too large for us, so we have decided to let some of the floors," he says. "We have been investing just under 20 million dinars [$52 million] a year, and this year it will be about 25 million dinars, which will probably be the same again for 1997. After that, we might drop back to between 17 million and 18 million dinars." In 1995, the company made a profit of 25.8 million dinars. "We hope to exceed that figure by the end of this year," says Mr. Hearn.

One of the company's other success stories in terms of growth has been the launching of GSM mobile phones in May last year. "During the past 18 months, we have sold 20,000 GSM phones, which is equivalent to the number of old-style analogue phones sold during the past 10 years," says Mr. Hearn.

BATELCO has also extended the roaming facility for Bahraini GSM users. Phones can now be used in the United Arab Emirates, Kuwait, Britain, Hong Kong, Singapore, Denmark, Germany, the Netherlands, Turkey, Switzerland, Malaysia, Belgium, France and Spain. Another 25 nations will be added by the end of 1997.

"It is only getting agreement over billing arrangements that holds up our GSM roaming expansion," says Mr. Hearn, who is optimistic about the future development of communications in Bahrain. ●



Success follows success at the enterprising Al-Ahli Commercial Bank, Bahrain.

Founded in 1977 the bank has rapidly grown to become Bahrain's third largest commercial bank.

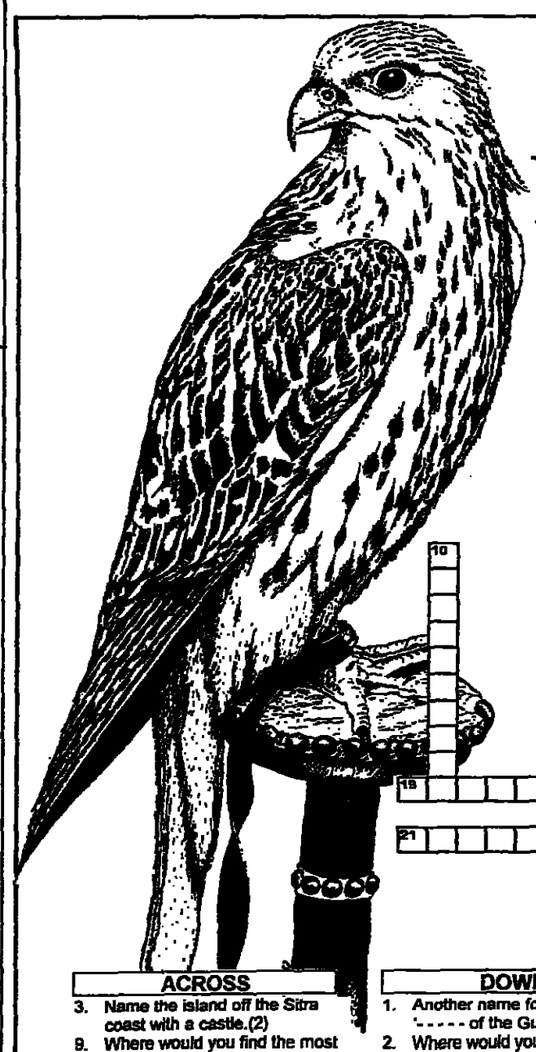
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History looks set to repeat itself.

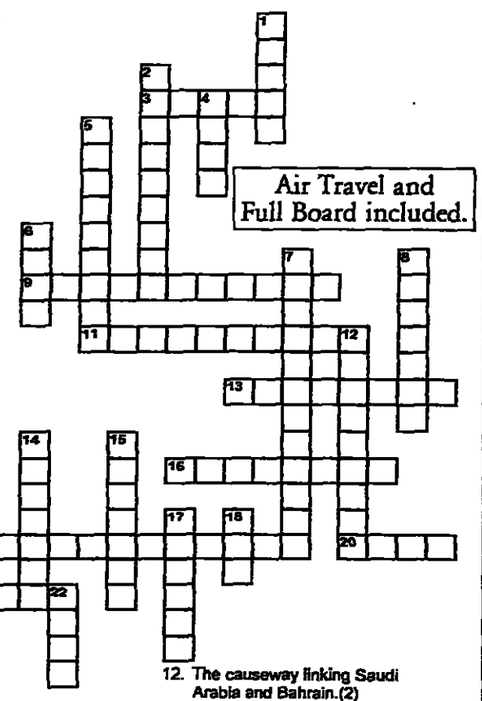
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ACROSS

3. Name the island off the Sitra coast with a castle.(2)
9. Where would you find the most comprehensive collection of Qurans in Bahrain? (3)
11. Which Bahraini bank has introduced Al Rabeh Certificates? (3)
13. Name the Beach Resort at Sitra. (2)
16. Where is Bahrain Airport located.
19. Name the latest 5 star luxury hotel in Bahrain. (3)
20. What is the traditional boat of Bahrain called?
21. Which craftsmen would you find in Al A'ali village?

DOWN

1. Another name for Bahrain. '- - - - - of the Gulf'.
2. Where would you find Bahrain's weavers? (2)
4. What type of palm trees predominately grow in Bahrain?
5. Bahrain's Ruling Family. (2)
6. Name the island's aluminium smelter.
7. What is the name of the famous arch leading to Bahrain's souq? (3)
8. Name the island's animal sanctuary. (2)
10. What is the name of the most famous tree in Bahrain? (3)
12. The causeway linking Saudi Arabia and Bahrain.(2)
14. The national airline. (2)
15. What is meaning of Bahrain? (2)
17. The ancient civilization of Bahrain.
18. Gulf International Bank.
22. In which area would you find the most famous excavation in Bahrain?

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CAREERS

When Layoffs Cut Too Deep, U.S. Firms Find a Temporary Solution

By Louis Uchitelle
New York Times Service

SAN FRANCISCO — The call came while Linda Corbett was in her yard gardening. A supervisor at Pacific Bell, a man she knew, told her that his staff was overwhelmed with work. He wanted to know whether Ms. Corbett would consider returning to the company from which, just six months earlier, she had been "severed involuntarily," as she still puts it bitterly.

Ms. Corbett, 42, resisted at first. She had reacted to her ouster by plunging into suburban life. She became active in the Chamber of Commerce, took courses in how to start a small business, gave parties with her husband and tended her vegetables and flowers. But she finally gave in, returning in May to a sales job at the Pacific Telesis Group subsidiary that had employed her since high school.

But instead of going back as an employee, she returned as a contract worker, on the payroll of one of the temporary-help agencies that have sprung up around Pacific Bell, renting workers to the company even as it sheds employees.

That contract workers are widely used by U.S. companies is well known. What is just coming to light is that as many as one-fifth of them, probably more than 1 million, are people like Ms. Corbett who have returned to their old companies, many after having been pushed off payrolls or lured off with buyouts. New surveys are beginning to document the trend, which appears to be another move toward a system in which companies and employees feel less obligated to each other.

"Many companies don't want to lose experienced people and they don't want to keep them on expensive career tracks," said Alan Krueger, a Princeton labor economist. "So they have come up with contract-worker status for ex-employees. And that is an important step that companies are taking toward rewriting the implicit contract that bound them to their workers."

As they grow in number, these former employees returning on contract become a subculture in the workplace. They are people with an employee's mind-set spliced centaur-like to an outsider's role as a rented worker. That was clear in interviews with more than a dozen of them.

Not having careers to advance, some praise the liberation from enervating office politics and from the stress of competing for raises and promotions. They talk of a greater flexibility to work only when they please. But their altered status cuts at their self-esteem. They are sometimes shunned by co-workers. They are often less effective than they had been. Many find themselves no longer going the extra mile to get a job done or acquire a new skill.

Some come to realize, as Ms. Corbett has, that what they have returned to are set tasks, rather than work that draws on their ingenuity and ambition. Company benefits, such as health insurance and pensions, become only a memory for many.

Corporations view these workers as skilled reserves who can jump back in without losing time learning the routine. But productivity suffers when they find themselves less motivated in their new role.

The Labor Department recently produced the first major statistical evidence of people cycling back to their old employers as contract workers. Its report found that among 5 million contingent workers, 17 percent of a representative sample surveyed in 1995 said they had had a "previous different relationship" with the companies that now, in effect, rent them.

Seven million people who describe themselves as self-employed were not represented in the survey, and some may also be back at their old companies on contract.

Similarly, the American Management Association, in a survey of 720 companies that recently shed workers, found that 30 percent had brought back downsized employees, on contract or as rehired employees.

Temporary-help agencies offer additional evidence. Shelley Wallace, the president of the Wallace Law Registry, which rents lawyers to corporations that have made cuts in their legal departments, estimates that 10 percent of the lawyers rented out by her agency and others go to their former employers.

William Ostler, the president of Training Delivery Service, the temporary-help agency supplying the largest number of contract workers to Pacific Bell, says former employees make up 80 percent of the 900 to 1,000 people that his agency supplies to the phone company on an average day.

Pacific Bell says it is using 4,200 temporary and contract workers in addition to 44,000 regular employees, down from 54,600 in 1991.

Other American companies also engage in the practice. The list includes Xerox Corp., Hoffman-LaRoche Inc., Delta Air Lines Inc., Digital Equipment Corp. and Chevron Corp., as well as smaller places, such as Bronson Methodist Hospital in Kalamazoo, Michigan.

Seldom, however, will the companies or their workers discuss what they do in any detail. Pacific Bell is an exception.

A class action brought by 1,600 former employees, a suit charging that Pacific Bell violated a job-guarantee agreement, has illuminated the process at that company.

Some of those listed as plaintiffs, including Ms. Corbett, were willing, now that their names are public, to talk about their experiences.

Ms. Corbett speaks like a person whose spouse has thrown her out, unexpectedly, and has now invited her back — on very different terms. She is bitter, and she finds the experience hard to put behind her.

"Restore my seniority, my vacation time and my pension," she said of the possibility that she return to a permanent job at the company, "and I'll consider it." On the other hand, the invitation back to the company that once rejected her has made her feel better about herself. "I feel I have value. Otherwise, they would simply drop my contract."

Ms. Corbett came back to a sales job at the phone company, a job she had held until 1992. The insult of having been forced out has been somewhat offset by the welcome she received from former colleagues who quickly shifted work to her.

The $40 an hour she earns on the payroll of a temporary-help agency is $10 an hour more than her base salary as an employee, she calculates. That makes her feel even better. Exercising the new control she says she has over her life, she took four weeks off to tour Asia with her husband.

But Ms. Corbett also has been confronted by the fact that her old sales job was not eliminated, as she was told it would be, but refilled, by an acquaintance. For this Ms. Corbett comes down hard, not on her replacement but on the company. She was, she reasons, the victim of "a numbers game" in which low-level managers were given downsizing quotas, regardless of workload.

Michael Rodriguez, Pacific Bell's vice president for human resources, conceded "there were jobs that we hoped would go away when those in them did, but some of the work did not go away as quickly as we would have liked."

Industry Hails IBM Verdict

Bloomberg Business News

NEW YORK — Computer makers are breathing a collective sigh of relief after a jury last week ruled that keyboards made by International Business Machines Corp. did not cause a 911 operator to suffer hand and wrist injuries.

IBM's victory comes just a week after Digital Equipment Corp. suffered the industry's first major loss in a keyboard case. A Brooklyn jury on Dec. 4 ordered Digital to pay $5.93 million to three women who claimed Digital failed to warn them of the hazards of using its LK 201 keyboards.

Last week, a New York State Supreme Court jury deliberated three hours before ruling 5 to 1 that IBM's keyboard "wasn't a substantial factor" in the carpal-tunnel syndrome of Flay Ames, the emergency operator.

"Certainly, this was an important verdict" because of Digital's loss, said Michael Cerussi, an attorney for IBM. He called the ruling against Digital "an aberration."

The ruling may help allay concern that computer makers will be forced to pay for injuries suffered by secretaries, reporters and millions of other data-entry workers who use keyboards frequently.

IBM argued that Ms. Ames's carpal tunnel syndrome was caused by an earlier fall and other conditions unrelated to the keyboard she used.

IBM has won all six jury verdicts for keyboard-injury cases in which it was a defendant, Mr. Cerussi said. Of 2,000 keyboard-injury cases pending against the computer industry, about 600 are against IBM, he said. IBM "has no intention of settling" any of the repetitive-stress injury lawsuits filed against it, he added.

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EMU Hopes Should Lift The Dollar

By Carl Gewirtz
International Herald Tribune

PARIS — The weakening of the Deutsche mark within Europe, on the back of enhanced prospects for European monetary union to include such traditional weaklings as the lira and the peseta, should continue to strengthen the dollar.

The best the mark could do Friday, after European leaders reached a so-called stability pact that moves them closer to launching the single currency, was to stay unchanged versus the Swiss franc. The mark fell against other currencies — from a 0.02 percent decline versus Finland's markka to a 1.5 percent fall against the South African rand. The German currency lost 1.1 percent versus the dollar which, at 1.5544 DM, appeared poised to challenge the high for the year of 1.5730 DM set on Dec. 3.

Analysts were cautious about speculating how high the dollar might go because trading in the approach to the year-end tends to be erratic as participants withdraw and liquidity dries up.

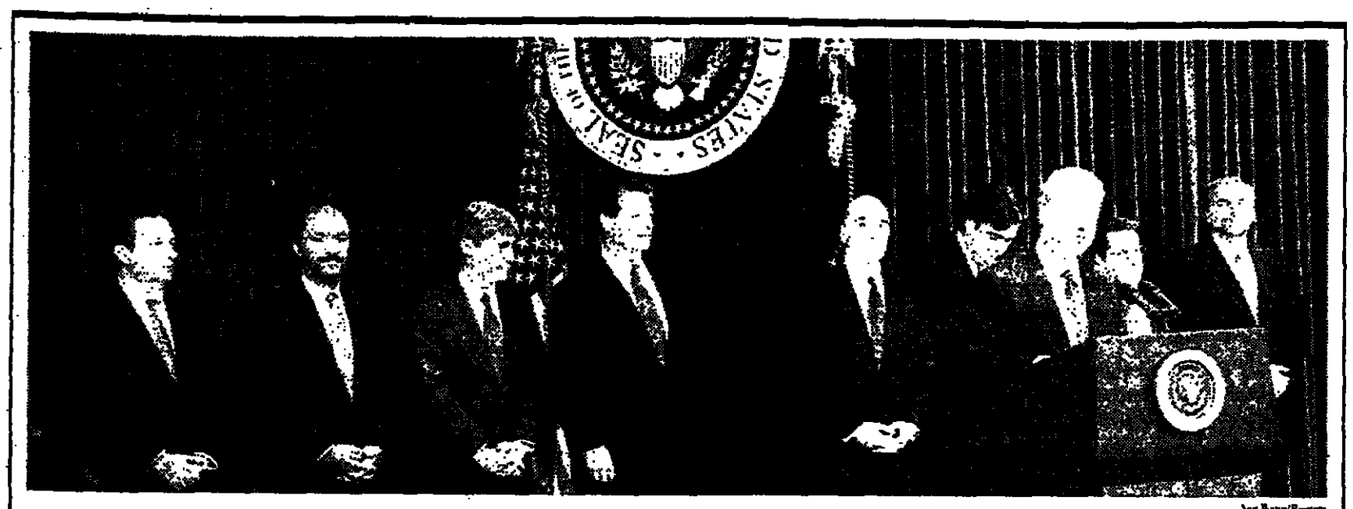
"Anyone trying to move positions in such a thin market can create exaggerated moves," said Kit Juckes at NatWest Capital Markets in London.

"The dollar could retest its high for the year," said Ronald Leven at J. P. Morgan & Co. But he said he did not see the dollar topping 1.60 DM until next year.

The dollar's buoyancy, also against the yen, is seen sustained by the prospect of continued easy monetary policy in Germany and Japan and the likelihood that the Federal Reserve Board will raise U.S. rates early next year.

Nonetheless, longer-term, analysts are wary about the dollar. "The foreign-exchange market tends to focus on one issue at a time," said John Llewellyn at Lehman Brothers Inc. "For now, the focus appears to be the exchange rate needed to give more growth to countries needing it. At some point next year the focus will shift, and the yen is likely to move up very sharply."

Paul Chertkow at Union Bank of Switzerland forecast the dollar at 120 yen and 1.65 DM. By contrast, Jim O'Neill at Goldman, Sachs & Co. said he expected the dollar to be worth 106 yen and 1.50 DM by the summer.



Ian Waldie/Reuters

Secretary of the Treasury Robert Rubin, third from left, looking on as President Bill Clinton announced cabinet changes in Washington last week.

The Hands Are Clinton's but the Voice Is Rubin's

By David E. Sanger
New York Times Service

WASHINGTON — As President Bill Clinton assembled his second-term economic team, one of his close advisers, a veteran of the struggles over welfare and health care and the balanced budget, suggested that the biggest change in the administration's economic policy-making had already taken place.

"When the president wanders off script he talks like Reich," the official said, referring to Labor Secretary Robert Reich, who rarely passes up a chance to criticize companies that downsized simply to increase their stock prices, and regularly spits out a list of ideas for government efforts to bolster the working poor. "But when he is on script, he talks like Rubin."

But Mr. Reich is returning to Boston, and Robert Rubin is remaining as Treasury secretary and, in Mr. Clinton's words, will be "the captain of the team."

With his latest round of appointments last week, Mr. Clinton established that Rubin-speak is the new lingua franca of the second term.

Though several cabinet vacancies remain — including secretaries of labor, housing and urban development, transportation and energy — the central players in formulating the budget, setting economic priorities and dealing with a new age of economic diplomacy abroad have been appointed. Most of them frame issues like the quiet-spoken, market-driven Mr. Rubin.

No doubt there will be vigorous arguments in the next year, especially over how to rein in entitlement spending on Medicare and Social Security, how to prepare for an inevitable slowdown in the economy and downturn in the sky-high stock markets and how stringent a line to take with China.

But those arguments will be debated, most administration officials say, in terms set by Mr. Rubin, a 58-year-old former investment banker who was often called a political novice when he arrived in Washington four years ago. The term is rarely uttered today.

Already, Mr. Rubin's language shows up in Mr. Clinton's own phraseology. A month ago, asked about a balanced-budget amendment to the Constitution, Mr. Clinton engaged in a rambling discussion of the subject that left it completely unclear whether he supported such a move or merely believed that the Republican-dominated Senate now had the votes to pass the amendment.

Mr. Rubin had to call his boss up short, privately telling others in the cabinet that the president's description was "a mess" and publicly announcing that the administration was committed to balancing the budget but thought a constitutional amendment was "unwise economic policy."

Asked about the subject again on Friday, Mr. Clinton turned to language that was right out of Mr. Rubin's playbook. When asked to comment on Alan Greenspan's characterization of the stock market this month — the Federal Reserve Board chairman worried aloud about the "irrational exuberance" of investors, a concern that Mr. Rubin clearly also shares — Mr. Clinton paused and seemed to be recalling Mr. Rubin's advice that the only thing presidents could do to jittery markets was mess them up.

"I don't comment on the Fed's decisions, and I don't comment on the market's movement, so I shouldn't talk about the Fed chairman's comments about the market's movement," Mr. Clinton said.

He then told a harmless shaggy-dog story about how Sam Walton, the founder of Wal-Mart, lost a billion dollars before Mr. Clinton's eyes during the market decline in 1987 and wound up with Mr. Rubin's oft-repeated phrase about how the government's job is to "keep the underlying fundamentals sound."

But the discipline Mr. Rubin has gradually imposed on the administration's economic thinking goes far beyond the president's public comments. In the second term, many of Mr. Rubin's closest aides are re-emerging in new and more powerful posts.

His deputy at the Treasury, Lawrence Summers, who was the hands-on architect of the Mexican bailout in 1995 and has led the administration's efforts at promoting economic reform in Russia, was given expanded powers by the president as a "principal" on the National Economic Council, the White House forum in which most economic issues are supposed to be debated.

The new director of the council is Gene Sperling, who headed domestic economic affairs there, and served as Mr. Rubin's deputy when he was its first chairman. Mr. Rubin's chief of staff, Sylvia Mathews, has been recruited by Erskine Bowles, the new White House chief of staff, to serve as one of his two deputies.

Two members — Franklin D. Raines, who has directed the Office of Management and Budget, and Mr. Bowles — are former investment bankers.

Mr. Rubin disputes the view that the second-term appointments consolidate his power or will squelch the kind of debate that roared through the first two years of Mr. Clinton's presidency, when the administration was still struggling to balance Mr. Clinton's promises of major social initiatives with the realities of reducing the deficit.

"Actually, I think we have a very experienced group of independent-minded people who are pragmatic and sensible," Mr. Rubin said.

EU Accord: Only Start Of the Battle

'A Few More Crises' Over Euro on Horizon

By Tom Buerkle
International Herald Tribune

DUBLIN — The European Union's agreement on a budget stability pact has given almost irreversible momentum to the single currency planned for 1999, but the heated debate over the pact's details merely signaled the start of a political struggle over the euro.

The tension was evident at the bloc's summit meeting here in the reaction of senior French and Italian officials, who argued that the pact provided looser guarantees of fiscal discipline than Germany claimed.

President Jacques Chirac of France also renewed his call for political control over the future European central

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bank and predicted that a large number of EU countries would launch the euro. Those views promised continued friction with Germany, which fears that both of those steps would weaken the new currency.

As Prime Minister Goran Persson of Sweden put it, "We will have a few more crises."

However the differences are resolved, the stability pact reached Friday underscored the overriding role of money in shaping Europe's future. The point was driven home by the summit meeting's meager results on issues of political integration.

Still, EU leaders were able to leave Dublin knowing that the they had put the euro firmly on track for its Jan. 1, 1999 launch, and that the need to manage their money jointly would provide a powerful driving force for closer cooperation in other areas.

"Anybody who still doubts that the euro will be launched in 1999 cannot read the writing on the wall," Chancellor Helmut Kohl of Germany said Saturday at the end of the two-day meeting. He also expressed optimism that the EU would conclude major political reforms in the next six months.

"I hope everyone has now understood that the convoy is moving ahead," he said. "There is no alternative to a united Europe."

Just what sort of money the euro will be will depend on the budding political debate over how to manage the currency, as well as the ability of EU countries to actually meet the Maastricht treaty's economic criteria, which is the last, major question mark over the project.

Although the subject was not raised formally at Dublin, Mr. Chirac made it clear that France would push in coming months for the creation of a stability council of finance ministers from countries joining the euro to exert political control over the European central bank. He underlined his stance with a pre-emptive political strike, dashing Dutch hopes by ruling out the appointment of Wim Duisenberg as the bank's first president.

Theo Waigel, the German finance

See EMU, Page 20

Continental Ends Potential Merger Talks With Other Airlines

Bloomberg Business News

HOUSTON — Continental Airlines Inc. has ended merger discussions with other airlines and has no plans to restart them, the company's chief executive said.

The Houston-based airline held "very preliminary discussions" with several other carriers, Gordon Bethune said Saturday in a recorded message to Continental employees. But, he said, "Right now, we do not have any discussions, or have any plans for discussions with another carrier."

People familiar with the talks said last week that Continental and Delta Air Lines Inc. held a series of talks beginning this summer. Mr. Bethune's comments were the first acknowledgment by a Continental executive that such talks took place.

In his message to employees, Mr. Bethune said Continental would keep an eye on industry developments that could make it important to consider an alliance or merger, including the proposed alliance between AMR Corp.'s American Airlines unit and British Airways PLC.

"We need to be very cognizant of the fact that a BA-AA merger will cause consolidation in this industry," Mr. Bethune said.

British Airways and American Airlines are planning a code-sharing and marketing agreement that would account for two out of every three passengers traveling between the United States and Britain.

Other airlines have protested the planned alliance, which has yet to win regulatory approval.

For the moment, Mr. Bethune said that for Continental, "to do nothing is probably the best thing for us because we're doing so well on our own."

Continental's B shares surged on news of the Delta talks, but slipped to close Friday at $27.625, down $1.375.

News of the talks came shortly after Continental executives and other insiders sold more than $25 million in stock, according to filings with the Securities and Exchange Commission.

■ Jordan Will Bail Out Carrier

Jordan plans to recapitalize Royal Jordanian, the first step toward restructuring the debt-ridden state-run airline for evennual privatization, government officials said Sunday, according to a Reuters dispatch from Amman, Jordan.

Jordan's transport minister, Nasser Lawzi, said the airline had requested a debt-for-capital swap and the government would "definitely and officially in the near future approve this request. We have to do it."

Mr. Lawzi said the government would triple the airline's capital, to 210 million dinars ($295.6 million), a move he said was necessary to bring the airline back to sound financial footing.

He said the move also was essential to the government's planned, three-phase program of restructuring, commercialization and privatization of the airline.

The commercialization phase would entail transforming Royal Jordanian into a publicly listed company with its shares initially owned by the government before divesting them to the public and foreign investors.

Mr. Lawzi said the Saudi billionaire investor Prince Waleed ibn Talal was studying investing seed money in Royal Jordanian.

Most of the airline's debts were incurred by aircraft purchases and leases of its 17 plane fleet.

CYBERSCAPE

Suit Asks Whether Internet Must Speak French

By Nick Spicer
Special to the Herald Tribune

PARIS — Is the Internet an Anglo-American Trojan horse? That's the question behind a lawsuit by two French-language associations against the Georgia Institute of Technology's French campus.

The institution, known as Georgia Tech Lorraine, faces legal action because of the English-only Web site it runs out of a server in a northeastern city, Metz.

The nonprofit associations, Defense of the French Language and Future of the French Language, say Georgia Tech Lorraine is violating a 1994 law requiring French in all offers of goods and services.

"The goal of this lawsuit is simply to apply the law to the new domain of the Internet," said Marceau Dechamps, an administrator at Defense of the French Language responsible for legal issues. "We want to defend the French language in this media before strong habits form."

The campus's Web site provides information about the institution, enrollment procedures and courses — all in English only. The 1994 Toubon law, named after former Culture Minister Jacques Toubon, requires French in all advertising.

The case, which will be heard Jan. 6 in Paris and is said to be the first of its kind, highlights the growing wariness of some French cultural mandarins toward the Internet.

Still, Georgia Tech Lorraine, with its 50 students working on engineering degrees, hardly looks like a bridgehead for a cultural invasion.

The institution's director, Hans Puttgen, said the site was in English for a simple reason — all the instruction is in that language.

"We have French students," he said. "But if they're really interested in Georgia Tech Lorraine they will have to be also fluent in English."

Although he would not discuss the lawsuit, Mr. Puttgen said that his school would "not at all object to having French" on its Web site, and added that it had helped Metz and the Lorraine region set up their own sites in French. If the school loses in court, it could have to pay a fine up to 4,000 francs ($800), as well as damages to the two associations.

Louis Rossetto, editor and publisher of Wired, an Internet magazine, said that the Georgia Tech Lorraine case was worrying. "It's a sign of deep cultural insecurity," he said. "It seems an incredibly narrow, provincial way of thinking about the global village."

At first glance, however, it looks like there might be good reason for the French to fear Internet intrusion. The French ministries for telecommunications and culture commissioned a report last spring on what kind of legislation the government should adopt toward the Net. One of the questions the report looked at was the presence of French in cyberspace.

"The Internet is an Anglo-Saxon network," the report noted. "Eighty percent of servers are North American; 90 percent of exchanges are done in English."

But Isabelle Falque-Pierrotin, the high civil servant in the State Council who oversaw the writing of the report, advised the government to adopt a laissez-faire policy. She said it would be up to judges to decide how French laws should be applied to the Internet.

Besides, she said in an interview: "There's no real administrative way of protecting the French language on the Internet. I don't believe in that. We can't 'defend' French — we can promote French."

What will increase the use of French, she said, was the presence of more French companies on the Web. But France already has its own miniature version of the Web, the Minitel, and Mr. Rosetto said that could be a handicap.

"France has been slow to adopt the Internet because it has the Minitel," he said. "My guess is there's too much investment, psychological as well as monetary, in the Minitel."

While now overtaken technologically, the Minitel is commercially miles ahead of the real Internet. An estimated 7 million French households use its simple computer terminals to gain access to more than 26,000 on-line services. Organized by France Telecom, it has a central structure that allows consumers to make secure payments over phone lines. Unlike the Internet, businesses can already make big money off the Minitel.

But Ms. Falque-Pierrotin played down disaster scenarios for French Internet presence: "We have the experience in interactivity of the Minitel. We have experience in creating on-line services. Now we have transpose that experience."

Both she and Mr. Rossetto said they thought it was wrong to see the Internet as anybody's cultural Trojan horse.

"The Internet is about wiring human brains to other human brains," Mr. Rossetto said. "Count the number of brains on the planet to see who's going to be the dominant collection of brains — it's not necessarily the Americans."

Internet address: Cyberscape@iht.com.

CURRENCY RATES

Dec. 13

Cross Rates

	$	£	DM	FF	Lire	¥	S.Fr.	$	Yen	C$	Peseta
Amsterdam	1.733	2.6765	1.122	0.3302	0.1736*	—	5.443*	1.3198	1.5206*	1.2735	1.3265*
Brussels	31.86	52.5975	20.615	6.099	3.2064*	18.372	—	24.25	0.281	23.405	24.485*
Frankfurt	1.5415	2.5555	—	0.2959	0.1557*	0.8913	4.8511*	1.1793	1.3657*	1.1345	1.1874*
London (a)	1.4581	—	2.5644	0.4588	2.5282	2.8272	12.8165	2.1899	188.7406	2.2568	213.7789
Madrid	129.638	215.124	84.295	24.942	0.579*	75.083	4.0864	99.379	114.89*	95.245	—
Milan	1,627.30	2,530.50	989.85	292.57	1,578.00	1,742.0	23.85	1,1245	1,1333	1,2021	1,267.65
New York (b)	—	1.4562e	1.5544	0.2455	1,538.00	1.7402	23.85	1.1245	1.1333	1.2021	1,267.65
Paris	5.3976	8.4255	3.3773	—	0.3416*	3.0103	0.1638	3.8584	4.0406*	3.8187	4.0295*
Tokyo	113.25	187.36	73.24	21.71	0.703	65.39	3.5591	84.19	—	83.35	0.8709
Toronto	1.3581	2.2568	0.8767	0.26	0.8091*	0.7819	0.4253*	1.0037	1.1906*	—	1.067*
Zurich	1.5135	2.1833	0.8511	0.2578	0.8002*	0.7576	4.235*	—	1.1557*	0.8965	1.1888*
ECU	1.2586	0.7584	1.927	0.5416	1,915.10	2.1731	10.9257	1.6405	1.6218	1.7161	163.182
SDR	1.4025	0.8702	2.2234	N.Q.	2,195.82	2.4956	45.9023	1.8897	1.8239	1.9536	187.083

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich; fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	263.54	Mex. peso	7.905	S. Afr. rand	4.729
Australian $	1.261	Hong Kong $	7.7372	N. Zealand $	1.4251	S. Kor. won	843.40
Austrian sch.	10.845	Hung. forint	163.24	Norw. krone	6.4658	Swed. krona	6.7818
Brazil. real	1.0395	Indian rupee	35.855	Phil. peso	26.28	Taiwan $	27.49
Chilean peso	413295	Indo. rupiah	2353.05	Polish zloty	2.85	Thai baht	25.57
Czech koruna	27.26	Irish £	0.6016	Port. escudo	155.63	Turkish lira	103883
Danish krone	5.9046	Israeli shek.	3.2824	Russ. ruble	5539.0	UAE dirham	3.6705
Egypt. pound	3.3925	Ivory dinar	0.597	Saudi riyal	3.75	Venez. bolfv.	473.50
Fin. markka	4.605	Malay. ring.	2.5229	Sing. $	1.3985		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6570	1.6557	1.6545	Japanese yen	112.73	112.22	111.79
Canadian dollar	1.3564	1.3535	1.3513	Swiss franc	1.3061	1.3027	1.2988
Deutsche mark	1.5392	1.5361	1.5335				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.



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CAPITAL MARKETS ON MONDAY

EU Pact Alone Cannot Free Bonds of Risk Factor

By Carl Gewirtz
International Herald Tribune

PARIS — The European Union's agreement on a so-called stability pact, aimed at assuring fiscal discipline among member countries after they join the planned monetary union, enhances the likelihood that the union will begin as scheduled, on Jan. 1, 1999, and that it will be broad-based — including Italy and Spain — analysts say.

But for financial markets, the real test of viability is not the agreement on a stability pact, important as one is, but Europe's ability to lift economic activity to a level where adherence to the pact becomes credible, analysts said.

"In the absence of profound structural reforms, many European countries will remain burdened by substantial debt service, by generous welfare systems and by unfunded pension liabilities," said John Lipsky of Salomon Brothers Inc. Those weights, he said, cast doubt on the ability of member states to meet the self-imposed limit on budget deficits.

John Llewellyn of Lehman Brothers, said, "The crucial test for Europe is whether it convincingly addresses these structural problems."

If European countries were to do so, Mr. Llewellyn said, the high-risk premium incorporated into long-term European interest rates could fall by a third, opening the possibility of long-term rates falling even as faster growth drove up short-term rates.

The immediate reaction in financial markets to news of the EU agreement late Friday was to drive up the value of the lira and the peseta against the Deutsche mark and trigger a further rally in the Italian and Spanish government bond markets.

The mark fell 0.7 percent against the lira Friday, to 982.82 lire, while the yield on 10-year Italian government bonds dropped to 7.66 percent from 7.84 percent on Thursday. The rally left the yield on Italian paper only 175 basis points above that of comparative German bonds. The spread was 480 basis points at the start of the year.

The mark slipped 0.2 percent against the peseta Friday, to 84.235 pesetas, and the yield on 10-year Spanish bonds finished at 6.99 percent, down from 7.10 percent, or 108 basis points over comparable German paper.

The essential question now is whether German yields will also speed the narrowing of the gap by rising on doubts whether the future common currency, the euro, will be as solid as the mark.

Mr. Lipsky said he expected convergence from both directions, predicting that German yields would rise on the uncertainty about the value of the euro as well as an accelerating domestic recovery that will require an increase in official interest rates.

Mr. Llewellyn said one risk was that investors could decide to sit out the uncertainty in Europe by moving to the dollar.

At stake, he said, was "whether Europe becomes a weak-currency/high-interest-rate area, or a strong-currency area with permanently low real interest rates that opens the way for sustainable long-term growth."

Real long-term rates — interest rates minus inflation — have declined from their 1979-89 average in the United States and Japan, but they have risen in Europe — despite a sharper decrease in inflation, Mr. Llewellyn said.

The explanation was the explosion in gross public debt relative to total output, he said.

In Europe, which he calculates using the average of British, French German and Italian figures, the debt is up 25.7 percentage points, at 77.1 percent of gross domestic product. This compares with rises of 18 percentage points in the United States and 22.5 points in Japan, which has the highest level of debt relative to GDP.

"If Europe can put in place a deficit-cutting program at least as credible as the one in the United States, then Europe can expect a level of real interest rates equal to that prevailing in the United States," he said.

Real U.S. 10-year yields are 3.50 percent, Mr. Llewellyn said, compared with the average 4.90 percent for the four leading European economies. That 140 basis points worth of risk in European rates could melt away, he said, providing Europe can convince investors that its commitment to fiscal rectitude can be believed.

Securities Seen Drifting Amid Treasury Sales

Compiled by Our Staff From Dispatches

NEW YORK — A rally in the credit market last Friday brightened the outlook for bonds somewhat, but traders say the market is likely to drift lower again this week amid new Treasury auctions.

The focus will be on the flows, rather than the economic news or the Federal Reserve Board's policy meeting Tuesday, which is not expected to result in any change in monetary policy, they said.

U.S. CREDIT MARKETS

Figures last week showing an economic slowdown sparked a rally in bond prices Friday, pushing the yield on the benchmark 30-year Treasury bond down 5 basis points, or 0.05 percentage point, to 6.57 percent from Thursday.

But the 30-year bond yield rose 6 basis points on the week even as reports showing little change in consumer prices and a drop in retail sales reinforced the perception that the economy is generating little inflation.

On Wednesday, the yield had briefly reached 6.63 percent, reaching a five-week high, as investors sold securities to buy some of the $6 billion in new corporate debt.

"The big thing has been corporate issuance," said Robert Stricker, of Citibank Global Asset Management.

While the selling by investors abated by Friday, this week the market has to cope with the Treasury's auctions of $30.75 billion of two- and five-year notes, as well as more new corporate deals, and traders question how much demand there will be for new paper this close to year end.

"Until you get that 5-year done, the market's going to have a little pressure on it," said Hugh Whelan, an assistant vice president at Aeltus Investment Management.

David Glen, a portfolio manager at Scudder Stevens & Clark, sounded less upbeat, saying that the Treasury market was "in trouble."

He pointed to the fact prices were not able to do better on favorable economic news last week.

"Wednesday said it all, when we were down 2 points on a better-than-expected PPI number," he said, referring to the producer price index.

Mr. Glen sees the sell-off as a technical phenomenon, rather than a reflection of stronger economic fundamentals, but he said he expected the technicals would continue to work against the Treasury market through year-end. "I don't know what it takes to get this market going higher," he said.

This week, the market faces November industrial production figures on Monday, November housing starts on Tuesday, and a business survey for November from the Philadelphia Federa Reserve.

Mr. Whelan said he did not expect much reaction to the data because "a lot of managers are already where they want to be for year end, and it's going to take a fairly shocking number to cause people to initiate positions." *(Bridge News, Bloomberg)*

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Dec. 13. Prices supplied by Telekurs.

Rnk Name	Cpn	Maturity	Price	Yield
Australian Dollar				
192 SkandEnskil Bk	6	09/27/00	95.3202	6.2900
Austrian Schilling				
174 Austria	5⅝	07/15/06	99.6000	5.9000
Belgian Franc				
220 Belgium	9	03/28/03	119.4100	7.5400
British Pound				
168 Depfa Fin	7⅛	11/11/03	96.1250	7.4100
196 Chester Rec	6.517	01/05/06	100.0250	6.5149
200 BadWuert Fin	7⅜	12/28/01	99.3750	7.4200
211 Hanson Trust	10	04/18/06	110½	9.0500
218 Morgan Gty	7⅜	12/28/01	99.1250	7.4400
Canadian Dollar				
119 Canada	7	12/01/06	103.3800	6.7700
223 Canada	8	06/01/23	110.3000	7.2500
Danish Krone				
5 Denmark	8	03/15/06	108.5600	7.3700
26 Denmark	8	05/15/03	110.0900	7.2700
28 Denmark	9	11/15/98	108.6200	8.2900
36 Denmark	7	11/15/07	100.7000	6.9500
40 Denmark	8	11/15/01	110.3600	7.2500
43 Denmark	7	12/15/04	103.3000	6.7800
47 Denmark	9	11/15/00	113.3600	7.9400
49 Denmark	7	11/10/24	93.0800	7.5200
67 Denmark	7	02/15/98	103.6000	6.7600
89 Denmark	6	12/10/99	103.3000	5.8100
104 Denmark	6	11/15/02	101.1000	5.9300
137 Denmark	7	08/15/97	102.0700	6.8600
182 Denmark	6	02/15/99	103.3600	5.8000
Deutsche Mark				
1 Germany	6	01/05/06	100.7525	5.9600
2 Germany	6¼	04/26/06	102.5833	6.0900
3 Germany	8¼	09/20/01	114.1900	7.2200
4 Germany	6½	10/14/05	104.1900	6.2400
7 Germany	6⅞	05/12/05	106.8900	6.4300
8 Germany	8	01/21/02	113.5900	7.0400
9 Germany	6	02/16/06	100.8140	5.9500
10 Germany	5	05/21/01	101.8225	4.9100
12 Germany	8¼	08/20/01	116.1600	7.5300
13 Germany	7⅜	01/03/05	110.2367	6.6900
14 Germany	5	08/20/01	101.8950	4.9100
15 Germany	8	07/22/02	114.0100	7.0200
16 Germany	5¼	08/22/00	104.5200	5.5000
17 Germany	5¼	02/21/01	102.5633	5.1200
18 Treuhand	6⅞	06/11/03	107.7200	6.3800
20 Treuhand	7½	09/09/04	111.0600	6.7500
21 Germany	3½	09/18/98	100.0333	3.5000
22 Treuhand	6⅝	07/09/03	106.3400	6.2300
23 Germany	6¼	01/04/24	93.6075	6.6800
24 Germany	7½	11/11/04	111.0929	6.7500
25 Treuhand	7¾	10/01/02	112.5900	6.8800
29 Germany	5⅛	11/21/00	102.3580	5.0100
30 Germany	8½	02/20/01	114.3800	7.4300
31 Treuhand	6½	04/23/03	105.8750	6.1400
34 Treuhand	6¾	05/13/04	106.5750	6.3300
35 Germany	8⅞	12/20/00	115.5200	7.6800
37 Treuhand	7⅜	12/02/02	110.7800	6.6600
38 Germany	7⅛	12/20/02	109.5640	6.5000
39 Germany	6½	07/15/03	105.7100	6.1500
41 Germany	5⅞	05/15/00	105.0100	5.5900
42 Germany	8⅜	05/21/01	114.3500	7.3200
46 Germany	9	01/22/01	116.1080	7.7500
48 Treuhand	6¼	03/04/04	103.7350	6.0200
53 Treuhand	7⅛	01/29/03	109.2667	6.5200
55 Germany	6¾	04/22/03	107.2414	6.2900
56 Germany	6½	03/15/00	106.8800	6.0800
57 Germany	8	09/22/97	103.5600	7.7200
58 Germany	7¼	10/21/02	110.2033	6.5800
60 Germany	6	09/15/03	103.1983	5.8100
61 Germany	6⅞	12/02/98	106.1567	6.4800
62 Treuhand	6¾	07/01/99	106.0900	6.0100
63 Germany	9	10/20/00	115.6460	7.7800
66 Germany	5¼	11/20/97	101.8300	5.1600
69 Germany	7	12/22/97	103.6900	6.7500
70 Treuhand	6	11/12/03	102.8400	5.8300
71 Germany	6¾	09/15/99	107.4700	6.2800
72 Germany	8¾	07/20/00	114.2800	7.6600
73 Germany	7	01/13/00	108.3340	6.4600
74 Germany	5¼	10/20/98	103.0900	5.0900
76 Treuhand	5	12/17/98	102.7600	4.8700
79 Germany	7½	10/20/97	103.4900	7.2500
80 Germany	8½	08/21/00	113.5800	7.4800
82 Germany	6	06/20/16	93.4660	6.4200
83 Germany	6¾	07/15/04	106.5600	6.3300
86 Germany	6⅛	01/20/98	103.5267	6.4000
87 Germany	6⅛	05/20/98	104.1300	6.1200
90 Germany	5⅛	02/22/99	103.6833	5.1800
91 Treuhand	6⅛	03/26/98	103.4600	5.9200
92 Germany	6	02/20/98	103.0500	5.8200
98 Germany	7¼	10/20/97	103.3000	7.0200
100 Germany	5¼	08/20/98	103.7200	5.5400
101 Germany	8¼	07/21/97	102.9200	8.0200
110 Germany	8	03/20/97	101.2200	7.9000
111 Treuhand	7	11/25/99	108.2900	6.4600
114 Treuhand	6¼	07/29/99	105.9400	5.9000
116 Germany	5¼	02/25/98	102.2467	5.1300
117 Germany	6⅛	08/14/98	104.6600	6.0900
122 Germany	6⅞	02/24/99	106.6500	6.4500
123 Eurofima	6	12/11/06	99.2400	6.0500
128 Treuhand	5	01/14/99	102.8000	4.8600
132 Germany	6⅛	05/20/99	105.5300	5.8000
140 Germany	5⅝	05/28/99	104.5500	5.5000
145 Germany	6½	01/02/99	105.5550	6.1600
146 Germany	7½	01/20/00	108.9300	6.6600
148 Germany	8¾	05/22/00	113.9700	7.6800
151 Swiss Bank	6¼	12/06/06	99.6850	6.2700
155 Germany	6⅜	05/20/97	101.3200	6.2900
163 Treuhand	6⅛	06/25/98	103.9800	5.8900
164 Treuhand	5⅝	09/24/98	103.5900	5.4300
171 Germany	5¾	08/20/97	101.6500	5.6600
177 Treuhand	5¾	04/29/99	104.5300	5.5000
181 Germany	6⅜	01/20/98	103.2533	6.1700
184 Germany	6¼	02/20/98	103.3400	6.0500
191 German States	6¼	08/21/06	100.8400	6.2000
202 Germany	7¾	02/21/00	110.4200	7.0200
209 Merrill Lynch	3.406	12/09/02	99.9300	3.4100
213 Germany Tbills	zero	04/18/97	98.9318	3.1100
229 Germany	2.848	09/30/04	99.0880	2.8700
234 Cap Credit Card	5⅛	08/15/01	102.8521	5.4700
237 BA Credit Card	6	11/15/05	101.6900	5.9000
245 Rhein Hypothek	4½	03/22/07	98.4500	4.3200
249 Chugoku El Pwr	5⅛	12/12/03	99.0200	5.6800
Dutch Guilder				
27 Netherlands	6¼	07/15/98	104.2100	6.0000
50 Netherlands	6	01/15/06	101.2000	5.9300
64 Netherlands	5¾	09/15/02	103.0000	5.5800
75 Netherlands	6½	11/15/05	106.2800	6.3500
88 Netherlands	9	05/15/00	114.70	7.8500
93 Netherlands	7½	01/15/23	111.1000	6.7500
99 Netherlands	9	01/15/01	116.0500	7.7600
107 Netherlands	8¾	09/15/01	116.5200	7.5100
108 Netherlands	7¾	10/01/04	109.9500	6.5900
109 Netherlands	8¼	02/15/00	111.8000	7.3800
112 Netherlands	8¼	06/15/02	115.1000	7.1700
120 Netherlands	7	02/15/03	109.0000	6.4200
121 Netherlands	7¾	01/15/00	110.20	7.0300
126 Netherlands	7	06/15/05	108.0000	6.4800
127 Netherlands	8½	06/01/06	118.8000	7.1500
130 Netherlands	7½	04/15/10	111.90	6.7000
135 Netherlands	5¾	01/15/04	101.3300	5.6700
139 Netherlands	8½	03/15/01	114.5500	7.4200
147 Netherlands	7½	11/15/99	109.4000	6.8600
153 Netherlands	zero	01/02/97	99.2540	13.2300
154 Netherlands	8¼	02/15/02	114.6500	7.2000
172 Netherlands	6½	04/15/03	106.2500	6.1200
178 Netherlands	8¼	02/15/07	117.3000	7.0300
186 Netherlands	7	03/15/99	106.8900	6.5500
190 Netherlands	8¾	05/01/00	113.70	7.7000
194 Netherlands	7¾	03/01/05	112.9500	6.8600
195 Netherlands SP	zero	01/15/23	16.6000	7.1200
201 Netherlands	7½	06/15/99	108.5000	6.9100
232 Netherlands	6½	07/15/98	104.5000	6.2200
244 Netherlands	7	08/15/99	107.5500	6.5100
246 Netherlands	7	05/15/99	107.2000	6.5300
ECU				
95 UK T-note	5	01/26/99	101.0250	4.9500
103 France OAT	7½	04/25/05	109.3000	6.8600
106 France OAT	7	04/25/06	104.7700	6.6800
115 Britain	9⅛	02/21/01	114.8500	7.9500
124 France OAT	6¾	04/25/02	106.0000	6.3700
129 France BTAN	7¼	03/16/98	103.6300	7.0000
143 France OAT	6	04/25/04	100.2300	5.9900
173 France OAT	9½	04/25/00	114¼	8.3200
204 France BTAN	5	03/16/99	101.4100	4.9300
205 Italy	9¼	03/07/11	123.0000	7.5200
French Franc				
134 France OAT	7½	04/25/05	112.3300	6.6800
160 France B.T.A.N.	5½	10/12/01	103.3700	5.3200
162 France B.T.A.N.	4½	10/12/98	101.5600	4.4300
208 France OAT	8½	11/25/02	117.45	7.2400
Irish Punt				
235 Ireland	8	08/18/06	108.8000	7.3500
Italian Lira				
170 Deutsche Bk Fin	zero	10/15/26	11⅛	7.6300
222 Credit Local	8⅛	12/06/06	103.5000	7.8500
Japanese Yen				
149 Salts III		06/12/97	100.0000	
150 Spain	3.10	09/20/06	103.0000	3.0100
228 Exim Bk Japan	4⅜	10/01/03	113¾	3.8600
239 Quebec	4.02	10/25/17	108.1309	3.7200
248 World Bank	5¼	03/20/02	117⅛	4.4700
Spanish Peseta				
169 Spain	10.10	02/28/01	113.8660	8.8700
226 Spain	8.80	04/30/06	111.4800	7.8900
Swedish Krona				
78 Sweden	11	01/21/99	111.8600	9.8300
81 Sweden 1036	10¼	05/05/00	114.3210	8.9700
102 Sweden	6	02/09/05	94.9760	6.3200
157 Sweden	13	06/15/01	127.3000	10.2100
207 Sweden	10¼	05/05/03	119.5440	8.5700
221 Sweden 1037	8	08/15/07	107.1280	7.4700
Swiss Franc				
210 Sweden	zero	03/10/97	98.8990	4.6500
U.S. Dollar				
6 Brazil Cap S.L.	4½	04/15/14	78.4848	5.7300
11 Argentina FRN	6⅝	03/29/05	82.8054	8.0000
19 Argentina L	5¼	03/31/23	61.0000	8.6100
32 Brazil L	6½	04/15/06	82.7085	7.8600
33 Venezuela	6⅝	12/18/07	84.9100	7.8000
44 Venezuela par A	6¾	03/31/20	75.1875	8.9800
45 Mexico	11½	05/15/26	102.8750	11.1800
51 Bulgaria	6¹¹⁄₁₆	07/28/11	51.1250	13.0800
52 Brazil S.ZI	6½	04/15/24	75.0000	8.6700
54 Brazil 910.0	6¹¹⁄₁₆	01/01/01	96.3800	6.9400
59 Brazil S.L	6⁹⁄₁₆	04/15/12	71.5263	9.1700
65 Bulgaria	6¹¹⁄₁₆	07/28/24	56.5050	11.8400
68 CADES	5.359	12/10/01	99.7300	5.3739
77 Mexico par A	6¼	12/31/19	73.2292	8.5300
84 Mexico par B	6¼	12/31/19	73.0343	8.5600
85 Brazil par ZI	5	04/15/24	62.9375	7.9400
94 Argentina	5⅜	04/01/01	121.8500	4.4112
96 Ecuador	3	02/28/15	61.0334	4.9200
97 Bulgaria	2¼	07/28/12	39.6235	5.6800
105 Argentina	11	10/09/06	102.2500	10.7600
113 Brazil S.L	6⁹⁄₁₆	04/15/09	79.8438	8.2200
118 Italy	6⅞	09/27/23	95.5000	7.2000
125 Chugoku El Pwr	6¼	12/11/01	99.1250	6.3100
131 Mexico	11⅜	09/15/16	102.2500	11.1200
133 Panama pdl	4	07/17/16	73.8444	5.4200
136 Mexico D	6.352	12/28/19	85.4720	7.4312
138 Poland	4	10/27/14	84.3438	4.7400
141 Brazil Cbond S.L	4½	04/15/14	78.4650	5.7400
142 Argentina L	6⅛	03/31/23	74.7500	8.5300
144 Ontario	7⅜	01/27/03	104.6250	7.0500
152 World Bank	5.68	09/27/99	99.1034	5.7300
156 Mydfa Trust	6¹¹⁄₁₆	09/15/07	85.0000	7.8676
158 DLJ Emerg Mkt	4¾	06/03/99	99.5000	4.7700
159 Bank Taiwan	5.678	12/10/01	99.8900	5.6900
161 Rose Fd Sec	5.68	11/06/01	100.1804	5.6698
165 Argentina	5.773	12/28/99	59.6250	9.6829
166 Sweden	6½	03/04/03	100.8750	6.4400
167 1st USA Cred Cd		02/11/02	100.0000	
175 Ontario	7⅜	06/04/02	106.0000	7.3100
176 Mexico	7⁹⁄₁₆	08/06/01	100.2300	7.5500
179 Bay LB Zent	6½	11/19/01	100.8750	6.4400
180 Nigeria	6¼	11/15/20	66.2589	9.4300
183 Ecuador par	3¼	02/28/25	46.1875	7.0400
185 Mexico A	6.453	12/31/19	85.4375	7.5500
187 Sweden	zero	11/25/97	94.2204	6.4200
188 Bk Amer Aust	zero	03/04/97	98.1982	8.3200
189 UBS London	5.49	01/03/97	99.4148	5.5200
193 Russia	9¼	11/27/01	99.1250	9.3300
197 Venezuela	6¾	03/31/20	74.9375	9.0100
198 Brazil	8⅞	11/05/01	99.0000	8.9600
199 Argentina	8⅜	12/20/03	92.1250	9.0900
203 Ecuador	6½	02/28/25	68.2500	9.5200
206 EIB	7⅛	09/18/06	103.8750	6.8600
212 EIB	zero	11/06/26	13⅛	6.8900
214 Canada	6⅝	08/28/06	100.8750	6.6900
215 Britain	5⅜	10/04/01	99.7900	5.3900
216 Mexico B	6⅝	12/31/19	84.9794	7.5000
217 Canada	6½	05/30/01	101.2500	6.4200
219 Italy	7	09/18/01	102.5000	6.8300
224 Sweden	5⅜	02/08/01	99.9400	5.3800
225 Argentina	5⅝	09/01/02	104.5000	5.1435
227 Suedwestdeut	6⅜	11/07/01	100.5000	6.3400
230 Venezuela	6⅝	03/18/07	87.6563	7.5579
231 Mexico C	6⅝	12/31/19	85.0673	7.4900
233 World Bank	6⅝	08/21/06	100.6250	6.5800
236 Credit Lyonnais	6⅝	12/31/99	97.8800	6.7700
238 Am Vestors	5.95	01/20/07	99.7000	5.9679
240 Argentina	10.95	11/01/99	105.0000	10.4300
241 Poland	6½	10/27/24	97.2813	6.6800
242 Panama	3½	07/17/14	66.8706	5.2300
243 Bco Com Ext.	7¾	02/02/04	86.2500	8.4100
247 Korea Elec Pwr	6⅜	12/01/03	97.5000	6.5400
250 Belgium	5½	11/05/03	95.2500	5.7700

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Foreningsbanken	$100	2003	0.55	99.717	—	Over 3-month Libor. Noncallable. Fees 0.50%. (Salomon Brothers Int'l.)
Foreningsbanken	$100	perpt	¼	99.785	—	Interest will be ¼ over 3-month Libor until 2001, when issue is callable at par, thereafter 2¼ over. Fees 0.625%. Denominations $250,000. (Salomon Brothers Int'l.)
Indover Bank	$150	2002	0.30	100.00	—	Over 3-month Libor. Noncallable. Fees 0.25%. Denominations $10,000. Payable in Jan. (ABN-AMRO Hoare Govett.)
Korea Exchange Bank	$200	1997	0.10	99.952	—	Over 3-month Libor. Noncallable. Fees 0.05%. (Nomura Int'l.)
Korea First Bank	$100	1999	0.35	100.00	—	Over 6-month Libor. Noncallable. Fees 0.225%. Denominations $250,000. (Chase Manhattan Asia.)
Securitization & Infrastructure Funding	$225	2001	0.30	100.00	—	Over 3-month Libor. Noncallable. Fees 0.275%. Denominations $10,000. (Nomura Int'l.)
Societe Generale	$60	perpt	⅝	99.883	—	Interest will be ⅝ over 3-month Libor until 2006, when issue is callable at par, thereafter 2 over. Fungible with outstanding issue, raising total amount to $310 million. Denominations $10,000. Fees 0.75%. (Morgan Stanley Int'l.)
Craegmoor Finance	£51.2	2008	½	100.00	—	Interest will be ½ over 3-month Libor until 2006, thereafter 2½ over. Average life 8.5 years. Also £17.6 million paying 1¼ over and £11.2 million paying 0.70 over. Fees 0.40%. Denominations $100,000. (UBS.)
Eurofima	ITL500,000	2006	0.20	100⅛	—	Below 6-month Libor. Noncallable. Fees 0.50%. Payable in Jan. (Banca Nazionale del Lavoro.)
European Investment Bank	ITL1,000,000	2004	0.30	100¼	—	Below 3-month Libor. Reoffered at 99.95. Noncallable. Fees 0.35%. Payable in Jan. (Banca Nazionale del Lavoro.)
Phatra Thanakit	Y10,000	2001	0.80	100.00	—	Over 6-month Libor. Noncallable private placement. Fees not disclosed. Denominations 50 million yen. (IBJ Asia.)
Sanwa Finance Aruba	Y11,000	2006	0.20	100.00	—	Interest will be 0.20 over 3-month Libor until 2001, when issue is callable at par, thereafter 0.70 over. Noncallable private placement. Fees 0.30%. Denominations 100 million yen. (Sanwa Int'l.)
Fixed-Coupons						
Banco de Credito Argentino	$100	1998	8½	100.00	—	Semiannually. Noncallable. Fees 0.375%. (Salomon Brothers Int'l.)
Banco de Inversiones e Commercio Exterior	$100	2000	9⅝	99.755	—	Semiannually. Noncallable. Fees 0.45%. Denominations $10,000. (ING Barings.)
Banco do Nordeste do Brazil	$100	2004	10	99.47	—	Semiannually. Callable at 98.39 in 2001. Fees 0.875%. Denominations $10,000. (CS First Boston.)
Bayerische Hypotheken und Wechsel Bank	$200	2000	6	101.12	99.63	Reoffered at 99.945. Noncallable. Fees 1⅛%. Payable in Jan. (Banque Paribas Capital Markets.)
Globex Utilidades	$100	2004	9¼	99.879	—	Redeemable at par in 1999. Fees 0.625%. Denominations $10,000. (Bank of Boston.)
Globopar	$100	2004	9⅝	99.823	—	Semiannually. Callable at 99.74 in 2001. Fees 0.75%. Denominations $10,000. (Citibank Int'l.)
Globopar	$250	2006	10½	99.441	—	Semiannually. Callable at 104½ in 2001. Fees 1%. Denominations $10,000. (Citibank Int'l.)
Kazakhstan	$200	1999	9¼	99.872	100.13	Noncallable. Denominations $10,000. Fees 1%. (ABN-AMRO Hoare Govett.)
LB Rheinland-Pfalz	$200	2001	6⅛	101.22	99.80	Reoffered at 99.82. Noncallable. Fees 1⅛%. Payable in Jan. (ABN-AMRO Hoare Govett.)
LB Schleswig-Holstein	$100	2000	6	101.35	99.80	Reoffered at 99.95. Noncallable. Fungible with outstanding issue, raising total amount to $300 million. Fees not available. Payable in Jan. (Banque Paribas Capital Markets.)
Ras Laffan Liquified Natural Gas Co.	$400	2006	7.628	100.00	—	Semiannually. Private placement with a 7.3 year-average life. Fees not disclosed. (Goldman Sachs Int'l.)
Ras Laffan Liquified Natural Gas Co.	$800	2014	8.294	100.00	—	Semiannually. Private placement with a 15 year-average life. Fees not disclosed. (Goldman Sachs Int'l.)
Trinidad & Tobago	$150	2006	8	99.323	—	Semiannually. Noncallable. Fees 0.875%. Denominations $10,000. (Citibank Int'l.)
Universal Robina	$100	2006	8⅜	100.00	—	Noncallable. Fees 0.875%. (Merrill Lynch Int'l.)
Argentina	DM1,000	2005	8½	101¼	98.88	Reoffered at 99½. Noncallable. Fees 2⅛%. (CS First Boston.)
Brazil Repackaged Bonds	DM120	2012	13	102.00	—	Interest will be 13% until Oct. 1999, when issue is callable at par, thereafter 10⅛%. Reoffered at 99½. Fungible with outstanding issue, raising total amount to 220 million marks. Fees 2⅛%. (Morgan Stanley Int'l.)
UBS London	£250	2007	8	99.62	—	Noncallable. Fees 0.35%. Payable in Jan. (UBS.)
Credit Local de France	FF3,000	2004	5⅞	100.925	99.23	Reoffered at 99.35. Noncallable. Fees 1⅛%. Payable in Jan. (Societe Generale.)
Morgan Guaranty Trust N.Y.	ITL500,000	2027	zero	12.90	11.00	Yield 7.67%. Noncallable. Fungible with outstanding issue, raising total face amount to 1.5 trillion lire. Fees 2%. Payable in Jan. (J.P. Morgan Securities.)
Belgacom	Y10,000	2026	—	100½	—	Coupon will either be 6.07%, payable in Australian dollars, or 5.87%, payable in U.S. dollars, or 5.67%, payable in marks. Noncallable private placement. Fees 0.50%. Denominations 100 million yen. (Yamaichi Int'l.)
SmithKline Beecham Capital	Y10,000	2002	1.96	100.30	—	Noncallable. Fees 0.30%. Denominations 100 million yen. (Nikko Europe.)
Sumitomo Realty & Development	Y10,000	2003	2.40	101.675	—	Reoffered at 100.075. Noncallable private placement. Fees 1⅝%. Denominations 10 million yen. Payable in Jan. (Daiwa Europe.)
Equity-Linked						
Boan Co.	$175	2001	4½	100.00	—	Semiannually. Callable at 101.80 in 1999. Convertible at $44 a share, a 28.5% premium. Fees 2½%. (Deutsche Morgan Grenfell.)
MBI Finance	$219	2001	zero	68.44	—	Yield 7.88%. Noncallable. Proceeds $149 million. Convertible into shares of Metropolitan Bank & Trust at 670 pesos per share, a 10½% premium, and at 26.296 pesos per dollar. Denominations $10,000. Fees not disclosed. (Jardine Fleming.)
Miura Co.	$100	2000	3⅜	100.00	—	Noncallable. Each $10,000 note with two warrants, exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set Dec.17. (Nomura Int'l.)
Zhenhai Refining & Chemical	$200	2003	3	100.00	—	Redeemable at 122.94 in 2001 to yield 6.99%. Convertible at HK$2.80 per share and at HK$7.735 per dollar. Fees 2½%. (ING Barings.)
Seino Transportation	Y20,000	2004	open	100.00	—	Coupon indicated at 0.125 to 0.375%. Noncallable. Convertible at an expected 5% premium. Fees 2½%. Denominations 10 million yen. Terms to be set Dec. 17. (Daiwa Europe.)

The Week Ahead: World Economic Calendar, Dec. 16-20

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** South Seas Natural Resources Inc. holds a special stockholders' meeting to approve an increase in authorized capital stock to 250 million; Lockheed Martin Corp. and H. Thomas Group of Cos. open the Philippine Aerospace Center of Excellence.	**Frankfurt:** M3 money supply for November. **Madrid:** October trade deficit; Bank of Spain expected to publish figures about M4 money supply for November; central government's budget deficit for November.	**San Francisco:** International Business Communications sponsors a conference. Monday to Wednesday. **Bogota:** Sale of government's seven power plants to national and international investors to raise $1 billion. Buyers to be announced Thursday and Friday.
Monday Dec. 16	**Tokyo:** November steel production figures; revisions to October industrial production statistics; November sales figures for Tokyo area department stores.	**Helsinki:** November consumer prices. **London:** Astra AB holds presents financial performance report. **Rome:** October industrial production figures. **Vienna:** November consumer prices.	**Brasilia:** November trade figures. **Washington:** November industrial production and capacity utilization figures. **Ottawa:** October manufacturing data Washington: Weekly report on planting progress for seven crops.
Tuesday Dec. 17	**Manila:** Philippine government holds auction for the 7-year fixed rate treasury bond. **Annual meetings:** PICOP Resources Inc. **Company meetings:** Stamford Tyres Corp., GPE Industries Ltd.	**Rome:** INA SpA holds a board meeting on whether to bid for Banco di Napoli SpA. **Stockholm:** Riksbank publishes quarterly inflation report. **Earnings expected:** Vaux Group PLC.	**Mexico City:** November unemployment rate. **New York:** Johnson Redbook's survey of total U.S. sales at more than 20 department and discount stores. **Washington:** November housing starts.
Wednesday Dec. 18	**Manila:** Gotesco Land Inc. holds special stockholders' meeting to approve acquisition of properties. **Tokyo:** Trade balance data for November. **Annual meetings:** Mayfran International Ltd.	**Copenhagen:** November car sales. **Helsinki:** November producer prices. **London:** Provisional labor market statistics for October. **Madrid:** Third-quarter economic growth data.	**Brasilia:** Report on government spending in November. Treasury building. **Mexico City:** Retail and wholesale figures for October. Ottawa: November consumer price index and October travel statistics.
Thursday Dec. 19	**Annual meetings:** Goodwood Park Hotel Ltd., Hotel Malaysia Ltd. **Company meetings:** Malaysian Feedmills Ltd.	**Copenhagen:** November consumer prices. **Frankfurt:** Bundesbank policy-setting council meets. **Glattbrugg, Switzerland:** Swissair AG holds a press conference on its reorganization plans.	**Ottawa:** October trade balance and October retail trade. **Washington:** Initial weekly state unemployment compensation insurance claims; Federal Reserve System reports weekly money supply.
Friday Dec. 20	**Jakarta:** PT Panin Insurance holds a shareholders meeting to vote on a plan to buy shares in PT Panin Bank and PT Panin Life and to finance the purchases with a rights issue. **Tokyo:** November electricity demand data.	**Naples:** Banco di Napoli SpA's last day for offers to be accepted on the government's 60 percent stake in the bank. **Rome:** Istat releases fourth-quarter unemployment figures.	**Caracas:** Weekly international reserves and money supply figures. Cordoba, Argentina: Fiat Argentina SA inaugurates a factory where it builds cars and light vans. **Ottawa:** October wholesale trade and October employment data.

Last Week's Markets

Stock Indexes

	Dec. 13	Dec. 6	% Ch'ge
United States			
DJ Indus.	6,304.87	6,381.94	−1.21
DJ Util.	228.55	231.48	−1.27
DJ Trans.	2,248.89	2,274.16	−1.11
S & P 100	705.84	717.33	−1.60
S & P 500	728.64	739.60	−1.48
S & P Ind	857.48	868.47	−1.27
NYSE Cp	384.07	390.15	−1.56
Nasdaq Cp	1,287.57	1,286.29	+0.10
Japan			
Nikkei 225	20,341.39	20,276.70	+0.32
Britain			
FTSE 100	3,972.40	3,963.00	+0.24
Canada			
TSE Indus.	5,706.88	5,810.06	−1.78
France			
CAC 40	2,203.41	2,240.72	−1.67
Germany			
DAX	2,799.71	2,791.96	+0.28
Hong Kong			
Hang Seng	12,784.07	13,102.73	−2.43
World			
MSCIP	807.85	824.39	−2.01

World index from Morgan Stanley Capital Int'l Perspective.

Money Rates

	Dec. 13	Dec. 6
United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅜	5⁵⁄₁₆
Japan		
Discount	0.50	0.50
Call money	0.44	0.44
3-month interbank	0.53	0.53
Britain		
Bank base rate	6.00	6.00
Call money	5⁹⁄₁₆	5⅝
3-month interbank	6⁵⁄₁₆	6⅜
France		
Intervention rate	3.20	3.20
Call money	3¼	3¼
3-month interbank	3⅜	3⅜
Germany		
Lombard	4.50	4.50
Call money	3.10	3.08
3-month interbank	3.25	3.24

Gold	Dec. 13	Dec. 6	% Ch'ge
London p.m. fix.$	369.00	370.25	-0.34

Euromarts

Eurobond Yields

	Dec. 13	Dec. 6	Yr high	Yr low
U.S. $, long term	6.40	6.39	7.28	6.17
U.S. $, mdm term	5.94	5.89	6.87	5.61
U.S. $, short term	5.86	5.77	6.48	5.19
Pounds sterling	7.36	7.34	7.88	6.99
French francs	4.92	5.08	6.38	4.91
Italian lire	7.36	7.36	10.45	7.34
Danish kroner	5.69	5.70	6.51	5.69
Swedish kronor	5.62	5.75	8.55	5.62
ECUs, long term	6.03	6.09	7.50	6.03
ECUs, mdm term	5.00	5.12	6.56	4.99
Can. $	5.78	5.75	7.41	5.54
Aus. $	7.22	7.24	9.04	7.09
N.Z. $	7.27	7.29	9.37	7.04
Yen	1.80	1.87	2.78	1.76

Source: Luxembourg stock exchange.

Weekly Sales

Dec. 12

Primary Market

	Cedel Bk $	Cedel Bk Nos$	Euroclear $	Euroclear Nos$
Straights	75.0	604.9	870.0	2,030.1
Convert.	—	—	190.8	45.0
FRNs	945.7	419.8	2,798.9	303.5
ECP	9,748.7	8,303.4	11,080.9	10,586.9
Total	10,729.4	9,328.7	14,940.4	12,965.5

Secondary Market

	Cedel Bk $	Cedel Bk Nos$	Euroclear $	Euroclear Nos$
Straights	19,004.7	22,268.2	66,035.7	27,355.6
Convert.	621.7	921.3	2,405.2	1,940.4
FRNs	17,984.8	6,860.4	56,897.1	6,059.9
ECP	11,529.7	16,995.4	18,931.0	24,590.9
Total	49,140.9	47,045.3	144,469.0	59,966.8

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5⅜	5½	5⁹⁄₁₆
Deutsche mark	3¼	3⁵⁄₁₆	3¼
Pound sterling	6¼	6⅜	6⁹⁄₁₆
French franc	3⅜	3⅜	3½
ECU	4¼	4⁵⁄₁₆	4⁵⁄₁₆
Yen	½	½	½

Sources: Lloyds Bank, Reuters.

هكذا من الأصل

MUTUAL FUNDS

Figures as of close of trading Friday, Dec. 13

Tapping the Piggy Bank

For those who want to give a mutual fund account this holiday season but don't have much to invest, here are 10 top performers that require only $100 or less to open an account. Each fund carries a sales charge, or load; funds without a sales charge usually have higher minimum initial purchases. The funds here are ranked by total returns for the three years through Nov. 29, and the list includes only those in that ranking that are open to new investors, had a four- or five-star rating from Morningstar Inc. and are ranked in the top 50 percent of their group, based on 1-year and 3-year returns.

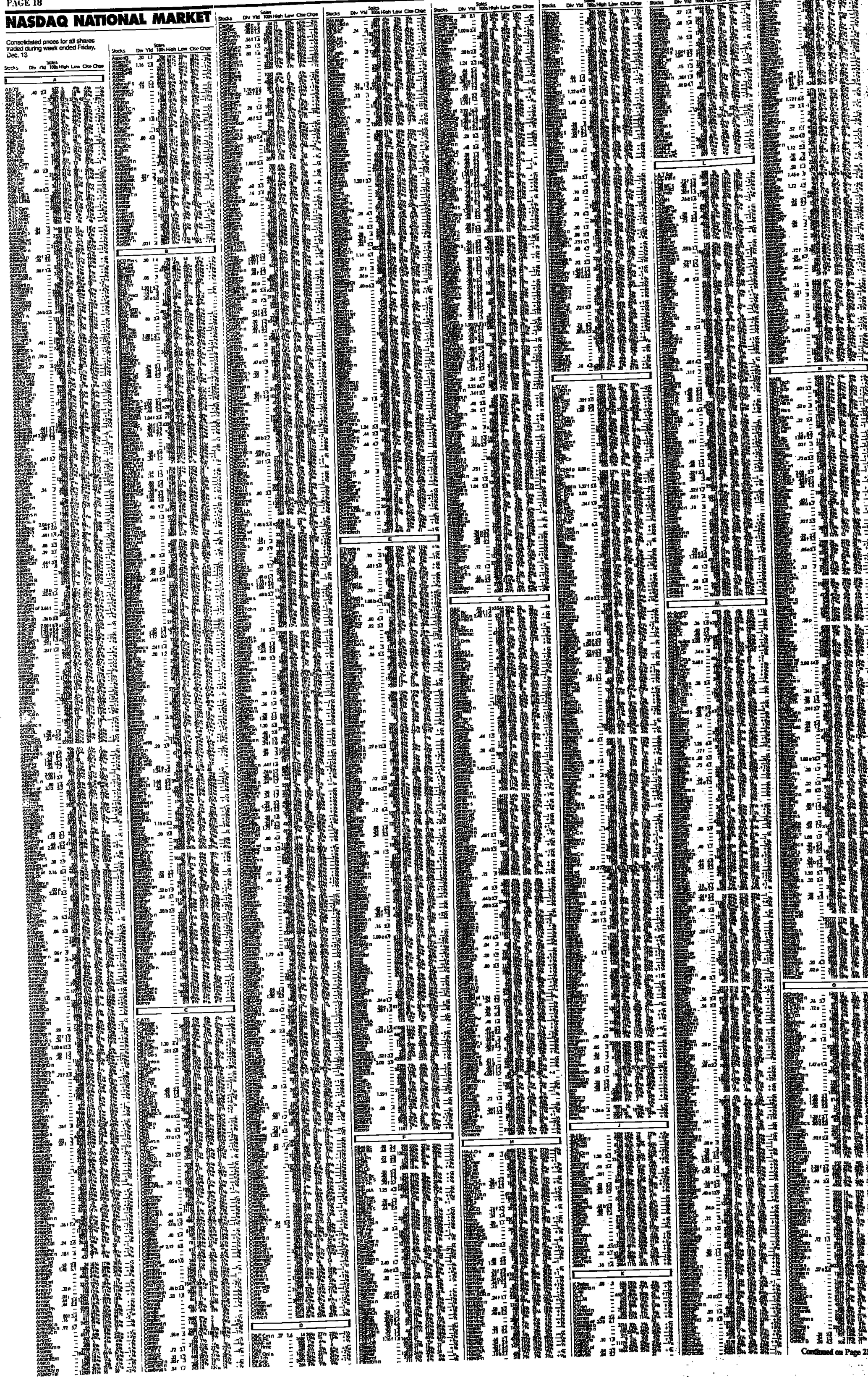
Fund	Investment objective group	Minimum initial purchase	Total return 12-month (% rank in group)		Total return 3 years* (% rank in group)		Load
Franklin California Growth I	Growth	$100	29.56%	(top 9%)	32.62%	(top 1%)	4.50%
Alger Capital Appreciation	Aggressive growth	0	19.33	(28%)	31.40	(1%)	5.00
Franklin Small-Cap Growth I	Small company	100	26.57	(18%)	26.61	(5%)	4.50
Franklin Global Health I	Specialty-health	100	22.88	(10%)	26.24	(6%)	4.50
Security Equity A	Growth	100	28.22	(14%)	20.51	(16%)	5.75
Templeton World I	World stock	100	20.90	(25%)	16.16	(14%)	5.75
Templeton Growth I	World stock	100	19.70	(33%)	15.13	(19%)	5.75
Franklin Convertible Securities I	Convertible bond	100	17.91	(37%)	13.20	(10%)	4.50
Templeton Foreign I	Foreign stock	100	17.31	(34%)	11.63	(27%)	5.75
Franklin AGE High Income I	High-yield bond	100	13.87	(39%)	10.00	(14%)	4.25

*Annualized.

Source: Morningstar Inc.

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Dec. 13



Continued on Page 21

صكذا من الاصل

SHORT COVER

China Nears Japan Loan Accord

BEIJING (Reuters) — China said Sunday it expected to reach formal agreement with Tokyo soon on the details of Japan's latest batch of huge yen loans, but it warned that politics should not get in the way of economic aid.

Japanese officials reached basic agreement with their Chinese counterparts last month on the loans, which will put 830 billion yen ($1.6 billion) into Beijing's coffers in the first stage of the four-year loan program.

Talks on the loans had been stalled for months by disputes over territory, history and China's nuclear testing.

"Japan and China plan to sign a formal contract on the implementation of the 1996 yen loans," the official China Daily Business Weekly reported Sunday. The newspaper did not say when the loans would be finalized.

EU Ministers to Meet on Film Fund

BRUSSELS (Reuters) — European culture ministers were scheduled to meet Monday to consider an investment plan for the European film industry that the industry says could create 2 million jobs in Europe over the next 10 years.

The European Commission has asked EU governments to set up a 90 million Ecu ($113.6 million) loan guarantee fund that would last 17 years and generate enough capital to finance 415 films and 215 television productions. The fund, which would be managed by the European Investment Fund, would encourage financial institutions to invest in film production by guaranteeing a proportion of the loans they make.

Resistance from member states forced the European Parliament last month to drop demands for mandatory limits on the number of Hollywood films and television programs on European television.

The European Film Companies Alliance, a group representing Europe's filmmakers, said they preferred the guarantee fund plan, which they said would encourage them to make relatively risky large-scale investments in European films.

Credit-Card Debt Dogs U.S. Banks

WASHINGTON (WP) — U.S. commercial banks reported income of $13.2 billion in the third quarter, their third-highest quarterly total, according to the Federal Deposit Insurance Corp., but credit-card loans continue to be a major source of trouble.

Because of a one-time payment from each bank to replenish the thrift deposit insurance fund, total earnings for the quarter were down 4.8 percent from $13.8 billion in the third quarter of 1995.

For the first nine months, 9,586 FDIC-insured commercial banks earned $38.6 billion. The industry also had record net interest income of $41.4 billion in the third quarter. Total assets increased by $61.4 billion to $4.5 trillion during the three-month period, with much of the growth occurring in credit-card loans and loans to commercial borrowers, the FDIC said.

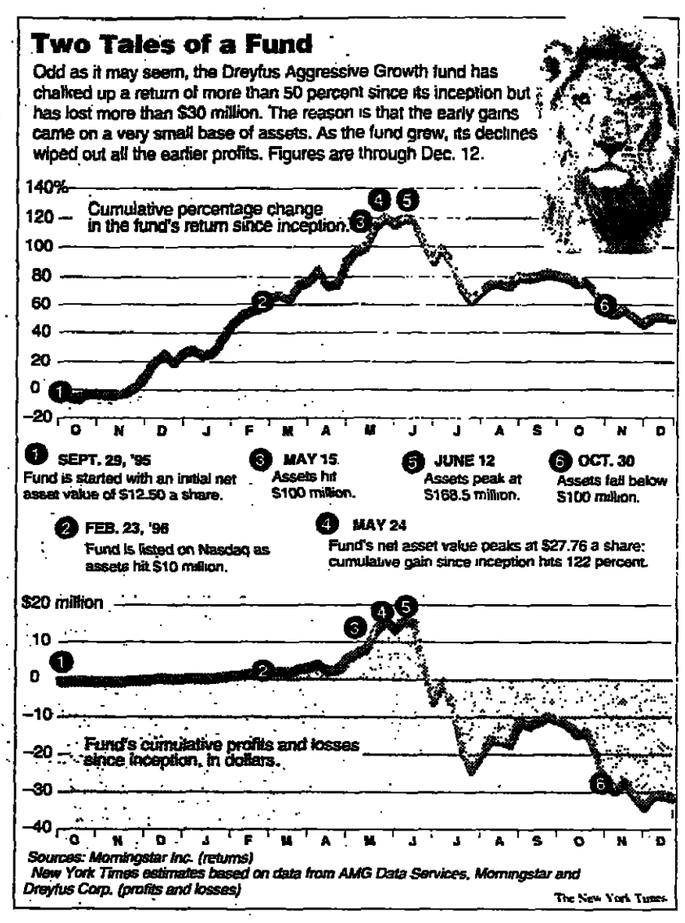
Although credit-card loans grew by $13.3 billion in the third quarter, write-offs of debt the bank has determined is uncollectible rose to $2.4 billion, up nearly 33 percent from the third quarter a year ago.

Bertelsmann Joins China Venture

GUETERSLOH, Germany — Bertelsmann AG said Sunday it was taking a stake in a publishing joint venture in China, the first such shareholding by a non-Chinese company.

The German media concern said it would have a 49 percent stake in the publishing house, with the Shanghai Scientific and Technical Publishers taking the 51 percent majority stake.

The new company, to be based in Shanghai, will publish trade books from Chinese scientific and technical authors as well as international works. A news publishing unit is also planned, whose first title is scheduled to be a car magazine.



Growth Fund Loses Its Shine

By Edward Wyatt
New York Times Service

NEW YORK — Dreyfus Corp. had finally found something to roar about.

After years in which its stock funds were mired in the bottom tier of fund rankings, Dreyfus heralded the winning performance of several new stock funds this year as a sign of its bold resurgence in a business it once dominated.

Grabbing the lion's share of that attention has been the Dreyfus Aggressive Growth fund, which in the year that ended Sept. 30 gained nearly 82 percent, more than any other U.S. mutual fund, in the process attracting millions in investments.

But more than a few of those new shareholders have suffered some disappointment. A close look at the fund's record suggests that very few investors enjoyed anything near the phenomenal performance reflected in the Dreyfus ads.

In fact, during its first 11 months of operation, the fund recorded a total return of 81.7 percent, but it actually lost $10.7 million of investors' money, according to its annual report. Since then, the return has fallen to 51 percent and losses have mounted to $31 million.

The simple explanation for that seemingly impossible feat is that the fund's early gains were more than wiped out by declines after the fund had attracted a great deal of money. It is also a cautionary tale about how investors can be misled by focusing only on percentage returns.

Dreyfus has said it is seeking approval from shareholders to merge the assets of its Special Growth fund with its Aggressive

INVESTING

Growth fund, and to merge the assets of its Premier Strategic Growth and Premier Aggressive Growth funds.

The fund mergers will allow Dreyfus to erase the poor performance record of its Special Growth fund.

Aiming to improve performance after years of a bearish philosophy dragged down returns, Christopher Condron, who became president of Dreyfus last year, hired new portfolio managers such as Michael Schonberg, 45, who came from Omega Advisers, a hedge fund.

The short-term results have been noticeable. Dreyfus pointed out that 15 of its 47 equity funds now rank in the top 25 percent of funds in their peer groups, based on one-year performance through the end of November.

Dreyfus Aggressive Growth, a capital appreciation fund with no sales fee, started accepting investors' money on Sept. 29, 1995. It got off to a blistering start under Mr. Schonberg. By the last week in February, when the fund reached $10 million in assets and was listed on the Nasdaq Stock Market, it had gained an astounding 65 percent.

Money immediately began to flood the new fund, which by mid-June had about $168.5 million in assets.

But since August, in a up-and-down market for small-cap stocks, the Dreyfus Aggressive Growth fund has lost nearly 17 percent of its value, and it is likely to show up on the fund rankings for the fourth quarter as one of the worst performers.

Real losses for many investors, however, started much earlier.

As noted, much of the fund's percentage gains were recorded in its first five months, when the fund had less than $10 million in assets. By the time the fund's net asset value peaked at $27.76 a share, on May 24, the fund's cumulative gains totaled 122 percent and Aggressive Growth had earned an estimated $28.5 million for investors.

But then the fund's value started to slide, and, because the fund had far more assets than it did earlier in the year, each percentage point dip in performance wiped out a much greater number of dollars than the fund had earned earlier in the year.

Singapore Notebook

World Trade Ministers Keep the Midnight Oil Burning

International Herald Tribune

Day by day, night by night, a hidden issue began to emerge at the inaugural meeting of the World Trade Organization last week. Although not covered by any of the multiple trade talks that were under way here, senior officials from Europe, Asia, and North America admitted that they had discovered a common enemy: sleep deprivation.

The negotiations were both frenetic and virtually round-the-clock, and as the week wore on many trade ministers and their aides complained that they were sleeping only three hours a night.

"Each day I have had countless bilateral meetings, plurilaterals, and plenty of corridor conversations," said Hisashi Hosokawa, deputy trade minister of Japan. But he said that he was averaging four to five hours of sleep each night.

Then, gesturing to an aide who sat dozing on a couch behind him, Mr. Hosokawa added: "I get used to it, but these guys never actually find any time to sleep at all."

An aide to the U.S. trade representative, Charlene Barshefsky, who was bargaining from early morning until late at night and then consulting with Washington well after midnight, said Ms. Barshefsky was lucky to get even three hours of sleep. But Germany's economics minister, Guenter Rexrodt, boasted he was managing five to six hours a night.

Mr. Hosokawa said that "the problem is that most professional negotiators don't like to come to an agreement until the last minute, even if it is possible to do so." He called the problem "a professional negotiators' disease."

Tim Fischer, deputy prime minister and trade minister of Australia, summed up the feeling of many at the meeting when he said thousands of delegates were all "sleepless in Singapore."

Even Sir Leon Brittan, the European Union trade commissioner said, "I have personally not experienced anything quite like this."

But does sleep deprivation actually help or hinder the search for compromise on issues ranging from telecommunications to trade and labor standards? "I don't think it can possibly help, and some of the more nervous and inexperienced delegates are clearly hindered," Sir Leon replied, without any apparent irony.

Steered to Luxury

While negotiators were staying awake, they were not exactly deprived of creature comforts. They were ferried around town in a fleet of 200 new BMW 728i cars. They were provided free of charge by a local agent of Bayerische Motoren Werke AG and will subsequently be sold at a 9 percent discount, at 255,000 Singapore dollars ($182,300) each.

The cars were not really needed by many delegates, who spent their time rushing on foot the three-minute distance between a set of high-rise luxury hotels.

The site of the WTO meetings, with its steep escalators, geodesic roof and six-floor-high atrium, felt like a cross between a shopping mall and a galactic spaceship.

A Green Christmas

A number of first-time visitors, commenting on the city-state's scrubbed asphalt roads and manicured lawns, called Singapore a kind of "Zurich in the tropics." But some of the local taxi drivers used a different phrase to describe their home. Singapore, they said with smiling insistence, is "clean and green."

And how do Singaporeans celebrate the Christmas season? The answer seems to be that they shop until they drop in the city's numerous, multilevel shopping malls. These modern blocks of concrete and marble are festooned with kitsch decorations and blaring music on the outside, and American-style fast-food emporiums and boutiques selling expensive imported European designer fashion goods all, of course, in air-conditioned comfort. Not exactly Zurich.

Alan Friedman



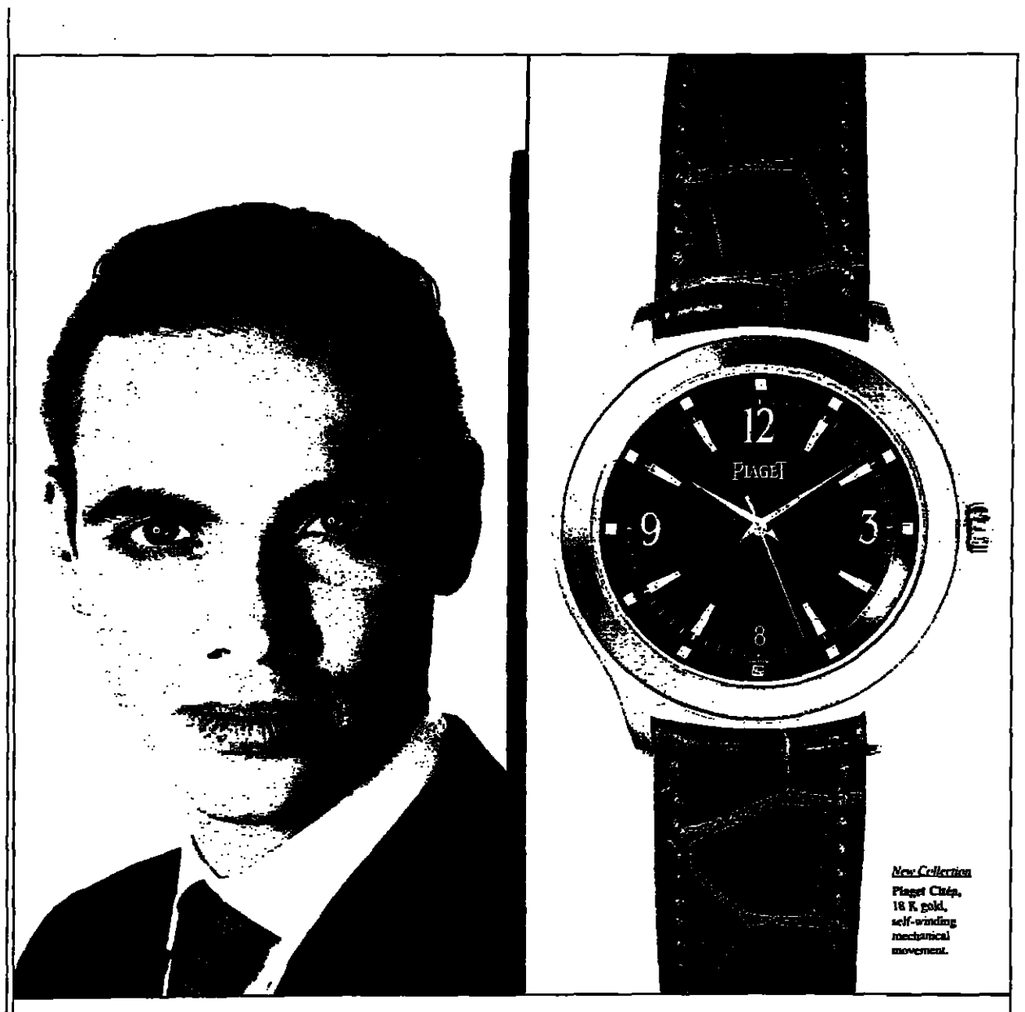
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IRELAND	IRE	52	26	50%
ITALY	ITL	145,000	58,000	60%
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Out of a Job, but Ovitz Endures

By Bernard Weinraub
New York Times Service

LOS ANGELES — Michael Ovitz turned 50 on Saturday, humbled and fallen from grace like few power brokers in the history of Hollywood. But no one — not even his numerous rivals — is predicting that Mr. Ovitz will disappear from the entertainment industry's corridors of power.

Mr. Ovitz leaves the presidency of Walt Disney Co. with an extraordinary windfall, perhaps as much as $90 million after only 16 months in the No. 2 job. The former talent agent still has important friends in Hollywood and on Wall Street, still retains an aura of power and mystery and, despite his failures at Disney, can point to an extraordinary record over the last 10 years of deal-making success.

Mr. Ovitz, who announced Thursday that he was quitting Disney after a brief and turbulent reign, found himself unable to carve out a role at one of the world's best known companies, and was psychologically unable to adjust to playing No. 2 to Michael Eisner, Disney's chairman and Mr. Ovitz's close friend, after years running the Creative Artists Agency, executives close to Mr. Ovitz said.

At the same time, Mr. Eisner, who has a reputation as a brilliant but abrasive manager, was faulted by studio executives for his inability to open the way for Mr. Ovitz. He was also blamed, to a degree, for helping stage-manage the fall of his friend by speaking openly to associates of being disappointed with Mr. Ovitz's performance.

By all accounts, the two men had agreed in recent months that Mr. Ovitz was simply not working out.

"Ovitz went over there with an understanding what the job would be — that they had a huge company to run, and it would be nothing less than a partnership, sharing duties and responsibilities," said a longtime associate of Mr. Ovitz's, who spoke on condition of anonymity.

A source close to Mr. Eisner put it differently. "Ovitz got surprised at what the job was, and Eisner got surprised at what Ovitz knew and didn't know," he said.

Mr. Eisner and Mr. Ovitz did not respond to phone calls for this article.

Mr. Ovitz has decided for now against seeking a high-level corporate job. His associates said he preferred to take over a company and work for no one but himself.

Because Mr. Ovitz helped build Creative Artists from scratch and because he has solid relationships on Wall Street, the debacle at Disney is not expected to damage his reputation with deal-makers, several investment bankers said. There were predictions that Mr. Ovitz would eventually seek financing to buy a spin-off from a larger entertainment company. "He's very innovative," said Herbert Allen Jr., an investment banker closely involved in the film business.

Mr. Ovitz leaves with a huge pay package. Some rival studio executives insisted that the package was $20 million. But associates of Mr. Ovitz's said it might be as high as $90 million — $50 million in cash plus stock options that are now worth about $40 million. Disney representatives declined to discuss the settlement, details of which will emerge when Disney files its year-end proxy statement early next year.

Studio executives said Mr. Ovitz bore the brunt of the blame with some highly publicized missteps, including clashes with top Disney officials and an imperious management style that included a huge office and staff, even by Hollywood standards.

One of those missteps includes getting Disney to agree to distribute "Kundun," a film about the Dalai Lama, the Tibetan spiritual leader, who is in open conflict with the Chinese. Another entertainment company, Universal Studios Inc., had refused to distribute the film partly because of fears that it would damage efforts to expand business in China.

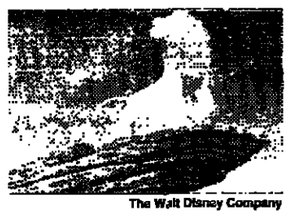
Yet Mr. Ovitz — and Disney — were startled when the Chinese threatened to derail the company's efforts to expand in China if the film was released.

Disney announced that it would proceed with the film. But the episode was one more embarrassing setback for Mr. Ovitz, who had focused his role at Disney on the international marketplace, especially China.

Not Bad, If You Can Get It

After a brief and turbulent reign as president of the Walt Disney Company, Michael Ovitz will be handed an extraordinary windfall — perhaps as much as $90 million in cash and stock options — to leave. Here's how Ovitz's golden handshake adds up against some other Hollywood transactions:

"The Lion King," Disney's No. 1 movie of all time, pulled in $313 million at box offices in North America. Disney's share: an estimated $190 million.


The Walt Disney Company


Scott Downie/Celebrity Photo

Sony bought the company run by the Hollywood producers Peter Guber, left, and Jon Peters for about $200 million and gave Time Warner assets of about $400 million to buy the team's contract from Warner Brothers. Both men were later paid handsomely to leave Sony.


Frank Masi/Hollywood Pictures

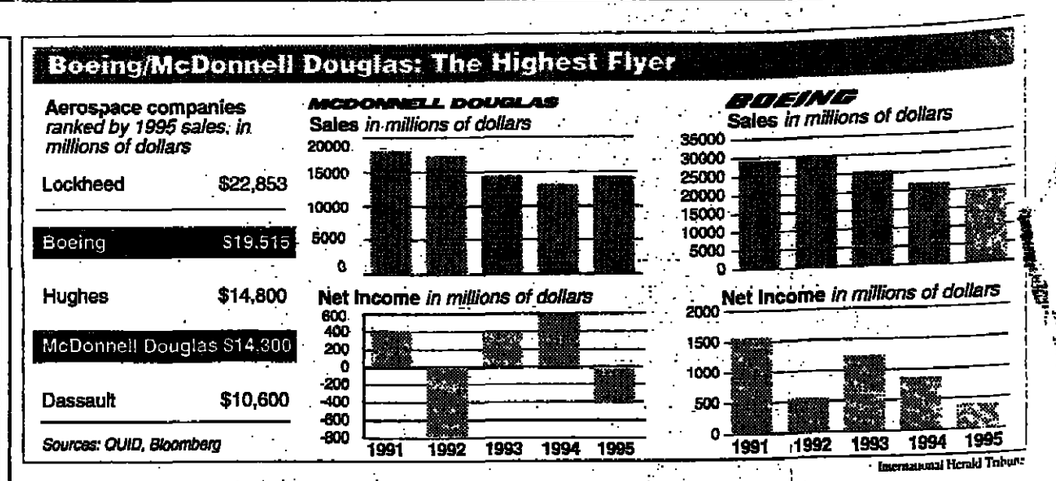
Disney spent about $90 million to make and market "The Rock," starring Sean Connery.



Were he so inclined, Ovitz could take six million people to a first-run movie in New York, popcorn and beverages included.

Sources: Walt Disney Company; Sony theaters

NYT



BOEING: *Deal to Create World's Largest Aerospace Company*

Continued from Page 1

years ago. The takeover will be subject to approval by regulatory agencies, who will be looking for possible antitrust problems. But Mr. Condit said he did not expect the deal to have any problems in obtaining antitrust approval.

"We looked very carefully at all of our programs," Mr. Condit said. "We believe that dramatically they are complementary. There are some overlaps but they're very, very minor."

Mr. Stonecipher added, "In the military and space areas, we're absolutely complementary. There's plenty of competition in this arena."

Because of McDonnell Douglas's growing problems and declining prospects for major new orders, as well as certain resistance to any attempt by foreign investors to take over the U.S. company, antitrust specialists also said they thought the transaction would ultimately receive federal approval.

But one expert noted that airlines were likely to complain loudly, because they will lose a bit of leverage that could help them drive down bids from Boeing or Airbus by millions of dollars.

The combined company will have about 200,000 employees, including those brought into Boeing by its recent purchase of Rockwell International Corp.'s defense and space division.

The combined company's operations will range from commercial aircraft to military planes to space satellites and launching vehicles.

Boeing is already the world leader in the commercial aircraft industry, with a market share that has remained around 50 percent. It produces the 737, 747, 757, 767 and 777 airliners. It also produces such military craft as the F-22 fighter and the Chinook and Comanche military helicopters.

McDonnell Douglas, which is based in St. Louis, Missouri, makes military aircraft that include the F/A-18 Hornet fighter, the C-17 Globemaster transport and the AH-64 Apache helicopter.

But its fortunes have been fading for years.

While Boeing has been enjoying record orders, McDonnell has faced a series of cruel and humbling setbacks.

It had agreed early this month to be a Boeing supplier. Boeing had moved quickly to close that deal, fearing McDonnell Douglas might enter a partnership with Airbus. The deal announced Sunday cements a very different relationship.

Last month, McDonnell Douglas said it was giving up plans to develop a new jumbo jet and said it would not modernize its plant in Long Beach, California.

What may have been the coup de grace to McDonnell, until recently the nation's dominant defense supplier, came Nov. 16, when the Pentagon excluded it from competition to build 3,000 planned Joint Strike Fighters in a contract worth an estimated $200 billion. Critics said McDonnell's design would have required costlier maintenance than those of other bidders. Boeing was named a finalist for the big Pentagon contract, along with Lockheed Martin Corp. of Bethesda, Maryland.

TAKEOVER: *Airbus Faces Tougher Fight as Rival Expands*

Continued from Page 1

existed for three years, but said the deal was put together only in the past week.

After abandoning its efforts to manufacture and market its own jumbo jet, a successor to the three-engine MD-11, McDonnell agreed this month to lend hundreds of engineers and executives to Boeing to help get the superjumbo off the ground. The action heralded the company's demise as an independent commercial aircraft manufacturer.

Ten years ago, McDonnell had 30 percent to 35 percent of the market for commercial jets with more than 100 seats, and Airbus had 10 percent to 15 percent. McDonnell now has about 10 percent and Airbus nearly 40 percent.

Boeing remains the market leader with more than 50 percent of commercial aircraft sales. The question is whether it will add McDonnell's share of the market for medium-range aircraft to its own production.

McDonnell's dwindling share of the civilian jet market is based on the medium-range MD-80 series, which is rivaled not only by the Airbus A-320 but also by a new generation of Boeing's veteran 737s. McDonnell also had growing difficulty in persuading customers it was in the market to stay. Rumors have circulated that McDonnell wanted to sell its commercial aircraft division to concentrate on military contracts. Its limited selection of products proved an increasingly difficult barrier to sales.

McDonnell found only a single buyer, ValuJet Airlines, for its 100-seat MD-95, while Airbus formed an alliance with China to produce a world aircraft of the same capacity.

McDonnell also lacked the resources to mount a serious challenge to Airbus and Boeing in the market for large wide-body aircraft, and its elimination from the contest to build a Joint Strike Fighter for the U.S. military virtually condemned it to subcontractor status.

The takeover is the latest and the biggest in a recent history of consolidation and rationalization, including the fusion of Lockheed Corp. and Martin-Marietta Corp. two years ago. Airbus, a consortium of the main aircraft industries of France, Germany, Britain and Spain, is in the process of becoming an ordinary commercial company, which is likely to include the vast bulk of Europe's aerospace manufacturing capacity.

EMU: *Pact Shows Leaders' Emphasis on Money*

Continued from Page 15

minister, indicated German support for such a council, but with the very different aim of coordinating broad economic policy. For Germany, with its tradition of strict central bank independence, the idea of politicians telling central bankers how to manage a currency remains taboo.

France and Germany are also likely to clash over the number of euro qualifiers between now and early 1998, when EU leaders must choose the countries to launch the single currency.

Mr. Chirac sent the clearest signal yet he would support the ambitions of Italy and Spain to get in at the start. That would protect French industry from the competitive threat of new devaluations, and give France more allies to counter Germany's strict views of monetary policy.

"Now it is just a question of how many countries will be in the first wave to join, and it is my impression that there will be a whole lot more than we thought," Mr. Chirac said.

On the stability pact itself, both Mr. Chirac and Prime Minister Romano Prodi of Italy insisted that they were not binding their countries into the type of rigid fiscal straitjacket advocated by Bonn. Any fines against profligate governments would be decided by politicians, rather than triggered automatically, they noted.

But German officials could cite the pact as proof that its culture of stability, which centers around low deficits and low inflation, was becoming pervasive in Europe. By requiring rigorous monitoring of national budgets and making the 3 percent deficit ceiling enforceable in all but the most-severe recessions — such as have occurred in France only two times since World War II — the pact will act as a powerful force to get European budgets close to balance during growth periods.

"The centerpiece of the stability pact is surveillance," said Juergen Stark, Germany's deputy finance minister.

The stability pact helped mask the lack of progress on political integration. The leaders reaffirmed their desire to conclude the intergovernmental conference, or IGC, on EU reform by June 1997 but left so many issues open as to make the deadline doubtful at best.

While no one was surprised by the vow of Prime Minister John Major of Britain to block any limitation on national veto power or attempts to make areas like immigration, asylum and crime-fighting the subject of common EU policies, senior European officials expressed concern at the hard line taken by Tony Blair, the Labour Party leader they hope to conclude the negotiations with after Britain's springtime election.

TRADE: *Insurance Pact*

Continued from Page 1

inated by giant Japanese firms in a tightly regulated market where it is difficult for foreign companies to compete.

In particular, prices are essentially fixed by industry rating organizations. This makes it virtually impossible for newcomers like foreign insurers to cut prices to lure away customers from Japanese companies.

In announcing the deal, the Japanese said that they would liberalize premium rates for automobile, fire and other casualty insurance policies by July 1998. This would allow American insurance companies to compete in Japan on price, and would allow insurance firms to charge higher rates to drivers with a history of accidents. Currently, good drivers are subsidizing drivers with bad records.

The American statement said that the deal also provided for deregulation of commercial fire insurance and the easing of barriers to introducing new insurance products.

While American insurance companies have not been able to compete effectively in the main market in Japan, they have had a profitable niche in the third sector, from which the big Japanese insurers have been excluded. The latest trade dispute had been triggered partly by Japanese plans to open up this niche to the Japanese insurance giants.

Washington says this would break a 1994 insurance accord with the United States and would enable large Japanese companies to take back business from American insurers before opening up the primary market to foreigners.

In the 1994 accord, Japan agreed to "avoid any radical change" in the business environment, until sufficient deregulation allows foreign insurers to compete in the primary sectors.

But under the deal, according to the Japanese side, on Jan. 1, Japan will allow life insurance companies to set up subsidiaries to sell personal accident insurance policies. Though this is a major chunk of the third niche, some limits will be imposed to avoid any radical change and ensure a certain amount of protection for foreign insurers.

After progress on deregulation is evaluated in July 1998, Japan will further open up the third niche to Japanese giant insurers in 2001.

MINISTRY OF DOMESTIC AFFAIRS OF THE ARGENTINE REPUBLIC
Financial Improvement and Economic Development program of the Argentine province of Mendoza

NOTICE OF PUBLIC INTERNATIONAL BID
PROVINCE OF MENDOZA
GENERAL SECRETARY OF MENDOZA GOVERNMENT
Provincial Executor Department
MINISTRY OF ENVIRONMENT AND PUBLIC WORKS
Provincial Department of Roads System
Works Execution

CONSTRUCTION OF COASTLINE AVENUE (RP 1) AND CALLE DORREGO STRETCH (DORREGO ST) TO JUNCTION WITH THE RODRIGUEZ PENA TRACK (RP 4) AND WITH THE SOUTHERN ACCESS ROUTE (RN 40)

Opening of Tenders: January 31, 1997 at 11 a.m.
at the Ministry of Environment and Public Works, 7 floor Government House, main building, Centro Civico, Province of Mendoza.

1. This province through a Subrogation Covenant with the National Government will take the loan granted thereto from the Banco Interamericano de Desarrollo (BID) (Interamerican Development Bank, IDB) Loan Covenant N° 619/OC/AR to contribute to pay for the Provincial Financial Improvement and Economic Development Program. This province will utilize part of these funds to make payments in accordance with that agreed upon in the contract referred to in this notice.
2. The province invites those companies of country members of the IDB (BID) to submit their sealed tenders for the works execution consisting in the construction of Avenida Costanera RP1(Coastline Avenue), Calle Dorrego (Dorrego St) stretch up to junction with the Rodriguez Peña track, RP4, and with the Southern access route, RN40, and the construction of confined terreplens with walls of reinforced concrete approximately 400 mts. long, a two-way bridge 28 mts. long and the corresponding up-going and down-going ramps to Remedios de Escalada street and connecting with National routes.
3. Additional information and inspection of bid documentation can be obtained Monday to Friday, (7:00 a.m. to 14:00 p.m.) at the Department of Road Systems, Lancinas, Parque General San Martin, Mendoza 5500, Republica of Argentina. Telephone number: (5461) 23-3339, Fax number (5461) 38-0938.
4. Official Budget: $6.978,781.40.
5. Execution Terms: ELEVEN (11) months.
6. Companies interested in participating can purchase the Bid Documentation package from the province's Department of Road System. The cost of the package is $400 which must be paid in full at the moment of the purchase thereof.
7. As part of the tender, all Bidders will have to submit a bid bond equal or superior to one percent (1%) of the amount of the official budget. Tenders must be delivered to the reception of the Ministry of Environment and Public Works of the Province of Mendoza, 7 floor, Government House, Main Building, Civic Center, Mendoza 5500, Argentina, until the date and time stipulated for the opening of tenders.

DIRECCION PROVINCIAL DE VIALIDAD

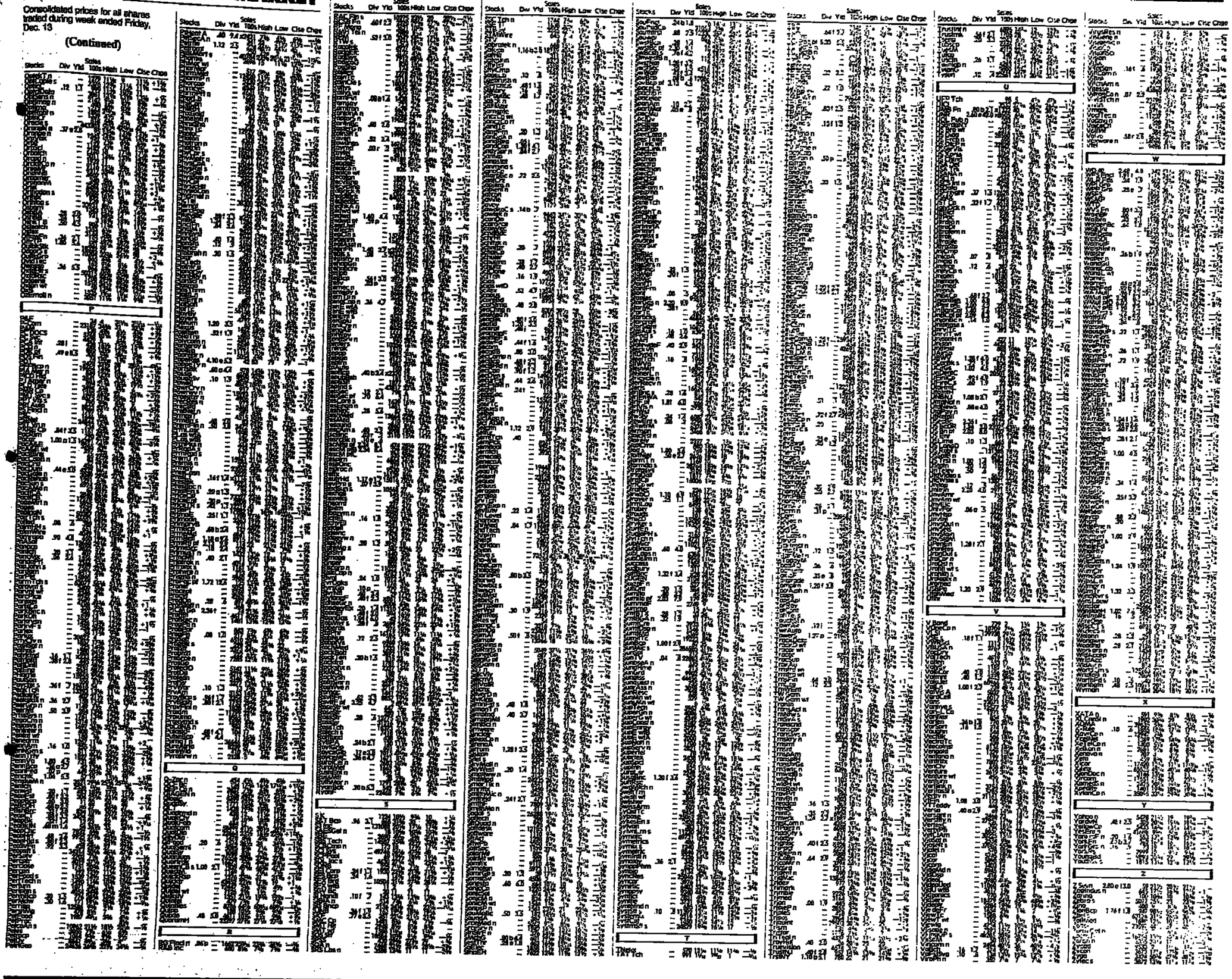


BALLY SWITZERLAND SINCE 1851

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Dec. 13

(Continued)



DENNIS THE MENACE

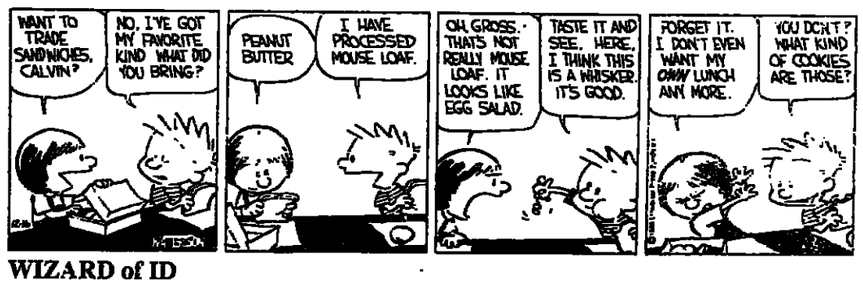


"THIS YEAR I'M GONNA ASK HIM FOR AN ELEPHANT. MAYBE THEN I'LL GET A PONY."

PEANUTS



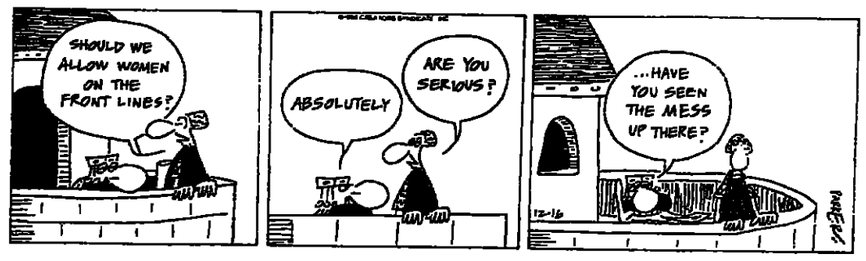
CALVIN AND HOBBES



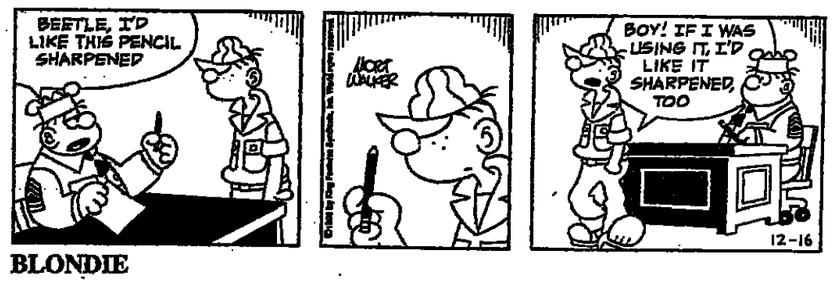
GARFIELD



WIZARD of ID



BEETLE BAILEY



THE FAR SIDE



"For crying out loud, Phil. ... Can't you just beat your chest like everyone else?"

DOONESBURY



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

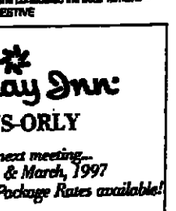
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BANIC

TALGO

MEHRIT

YARBEK



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: _____ _____ (Answers tomorrow)

Saturday's Jumbles: ESSAY GABBY EIGHTY VIRTUE
Answer: What she considered the boss' remarks — SUGGESTIVE

BLONDIE



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SPORTS



Paul Hackett/Reuters

Joost van der Westhuizen of South Africa clearing the ball from a scrum as Rob Howey of Wales tries to block it.

Springboks Defeat Wales, 37-20

Reuters

CARDIFF, Wales — South Africa's coach, Andre Markgraaff, was a contented man after watching his team end an exhausting year on Sunday with its sixth successive test victory.

The Springboks ran in five tries in a 37-20 triumph over Wales and probably could have had 10 tries as they controlled a hard forward battle and scrum-half Joost van der Westhuizen snapped up a personal hat-trick.

South Africa has now completed its mission on a tour of Argentina, France and Wales by winning all five tests. For good measure, it also beat the All Blacks at Ellis Park in the last test of this year's home series.

"South Africa won the World Cup last year because of their defense," said Markgraaff, who was vilified at home after omitting skipper Francois Pienaar from the tour squad.

"We are trying to score tries now and, given we have now scored about 20 in five tests, it means we are improving in certain areas. We have built a good side with a good team spirit and I am looking forward to 1997."

Rugby Union

The 25-year-old Van der Westhuizen, who now has 12 tries in 26 tests, was at the heart of his team's impressive performance. He scored his first try in the 10th minute following a 60-meter charge from Ruben Kruger, and midway through the first-half the Springboks struck again.

Sustained driving from the forwards set up Kruger, who put skipper Gary Teichmann and Henry Honiball away down the left. Honiball's pass to Andre Joubert was close to being forward, but the referee, Sateve Lander, awarded the try.

Just before the break, Van der Westhuizen scored his second when he sliced through the defense. The Springboks then put the game away at the start of the second-half when the same player burrowed his way over from close range to complete his hat trick.

The Springboks, who added another try from Jaques Olivier in the 54th minute, then sat back and allowed the Welsh to start taking the game to them, inspired by some excellent work by their midfield pair of Scott Gibbs and Allan Bateman.

The home team had kept in touch with five penalties from full-back Neil Jenkins and, in the last minute, Arwel Thomas slipped through from close range to provide a consolation try. "Wales played like they wanted to make it a great test match and for that they must be congratulated," said Markgraaff.

The Welsh captain, Jonathan Humphreys, was full of praise for the Springboks. "They're not far off the best side in the world," he said.

Low Punches By Golota Again Save a Battered Bowe

Reuters

ATLANTIC CITY, New Jersey — For the second time in five months, Riddick Bowe, behind on all three judges' scorecards, benefited from Andrew Golota's uncontrollable penchant for throwing low blows and won on a disqualification.

Golota had a point deducted for an intentional head butt in the second round on Saturday night, lost another point for a low blow in the fourth round and was disqualified at 2:58 of the ninth round after sending Bowe to the canvas with another low blow. Golota was disqualified in the seventh round in his fight with Bowe on July 11, after repeated low blows.

"He was warned, and I took away a point for a head butt earlier and I took another point away for a low blow that was really blatant and then the third low blow, and that's a disqualification," said the referee, Eddie Cotton.

Golota, 28, was taken to a hospital after the fight with an injured jaw, said his spokesman, Mike Boorman. Bowe, 29, improved his record to 40-1, while Golota slipped to 28-2.

The fight was a crowd-pleasing slugfest as the two heavyweights, often looking exhausted, threw wild punches. Bowe was knocked down twice and Golota once.

Golota knocked down Bowe in the second round with a right and a left to the head, then continued pummeling him around the ring.

Bowe, who had lost at least 45 pounds (20 kilograms) since last September to weigh in at an almost emaciated-looking 235 pounds Thursday, came on in the fourth round, catching Golota with a flurry of combinations that knocked the Pole down for the first time in his career. Golota got to his feet quickly and almost immediately started throwing very low blows, for which he was warned.

Finally Bowe went down after one of the low blows and the referee took a point away. Bowe took about a minute to recover. He could have taken up to five minutes.

"I don't want you to go to the body anymore. Everything goes to the head," Golota's co-trainer, Lou Duva, said between the fourth and fifth rounds.

In the fifth round, Bowe seemed exhausted. Golota caught him with a rash of punches up against the ropes. Bowe came off the ropes, and Golota sent him reeling with another combination, ending with a right to the head. It seemed to be all Golota after that, with Bowe at times seeming so tired that he had difficulty standing up.

Bowe seemed only a faded image of his old self Saturday. But it really didn't matter as Golota beat himself again.

In a bout to determine the shouting rights as the man champions most want to avoid, Ray Mercer won a 10-round unanimous decision over a former champion, Tim Witherspoon.

The steel-jawed Mercer, who narrowly lost a 10-round decision to Lennox Lewis last May and last won a fight in 1993, beat Witherspoon in the late rounds with strong punches.



Neal Lauron/Reuters

Riddick Bowe crumpling to the floor after a low blow by Andrew Golota.

Del Piero Lifts Juventus Over Verona

The Associated Press

Juventus of Turin, behind Alessandro Del Piero's second double in a week, rallied from a two-goal deficit to defeat Verona, 3-2, on Sunday and extend its lead atop the Italian first-division standings.

Verona, next-to-last in the standings with one victory in 13 matches, led 2-0 after 43 minutes on two goals by the striker Filippo Maniero. But Juventus cut the deficit to 2-1 on defender Sergio Porrini's goal just before halftime.

The reigning world and European champions then earned their seventh straight victory (including cup play) as Del Piero converted a penalty kick in the 64th minute and blasted in a 20-meter shot eight minutes later.

Del Piero also scored twice, both on penalties, in Juve's 4-1 triumph over Udinese in a makeup match last Wednesday.

Elsewhere Sunday, midfielder Demetrio Albertini's hat trick led defending league champion AC Milan past last-place Reggiana, 3-0, and into third place. Albertini, who had scored once all season before Sunday, connected in the second, 66th and 76th minutes as Milan won its second straight league match with coach Arrigo Sacchi, who resigned his post with the national team on Dec. 1 to return to the club after a five-year absence.

Milan's crosstown rivals, Internazionale, suffered a stunning 4-3 loss to visiting Sampdoria of Genoa on Sunday when Roberto Mancini, the top career scorer among active players, hit the winner with two minutes left. Rookie striker Vincenzo Montella scored Sampdoria's other three goals, including one in the 84th to tie the score at 3-3.

European Soccer

In other games Sunday, Filippo Inzaghi scored twice as Atalanta of Bergamo routed Piacenza 4-0; AS Roma edged Napoli 1-0; Lazio of Rome beat Perugia 2-1 and Udinese defeated Fiorentina 2-0.

ENGLAND Ruud Gullit's star-studded Chelsea team tumbled to a 3-0 loss at Sunderland on Sunday and slipped further out of the title race.

Spurred by a lucky own goal, promoted Sunderland dominated Gullit's expensively-assembled team, which also included Gianfranco Zola and Roberto Di Matteo, and scored two second-half goals to complete a deserved victory.

Chelsea's fourth loss of the season and fifth game without a victory meant that it remained seventh, 10 points behind leader Arsenal, while Sunderland's victory lifted it one place to sixth from last.

The Rokermen were fortunate to go ahead in the 30th minute. Craig Russell's shot appeared to be going well wide but struck a Chelsea defender, Michael Duberry, on the back and looped over the surprised goalkeeper, Frode Grodas.

There was nothing lucky about the second goal three minutes into the second half, however, as Kevin Ball dove bravely to head home Michael Gray's accurate left-wing cross.

Arsenal, which was idle this weekend, now leads the standings with 35 points from 17 games with Liverpool and Wimbledon tied for second at 34. Liverpool overpowered Middlesbrough, 5-1, Saturday and Wimbledon edged Blackburn 1-0.

U.S. Advances, 2-1, in Cup Qualifier

By Jere Longman
New York Times Service

PALO ALTO, California — A year after he began a hand-over-hand climb from a legal and personal abyss, Roy Lassiter helped to hoist the United States into the final round of World Cup qualifying with a 2-1 victory over Costa Rica.

The Americans were desperate for a productive forward because Eric Wynalda, the national team's all-time leading scorer, was unavailable, having collected two yellow cards in previous games.

Since he led Major League Soccer with 27 goals for Tampa Bay, Lassiter was recalled for Saturday's game from Genoa, where he was playing in the Italian second division. Both he and forward Brian McBride played assertively, each collecting a goal before an appreciative crowd of 40,527 at Stanford Stadium.

The first of 10 matches in the final round of qualifying in the North America, Central America and Caribbean region will be played in February. Canada, Mexico, El Salvador and Jamaica have previously qualified for the six-team field, from which the top three finishers will advance to the 1998 World Cup in France.

McBride, playing in place of Joe-Max Moore, gave the United States a 1-0 lead in the 17th minute. Ernie Stewart delivered a crossing pass from the right flank, which two Costa Rican players failed to clear.

The ball landed at the feet of McBride, who launched a rocket from 10 yards. Hermidio Barrantos, the Costa Rican goalkeeper, reached with his left hand, but the ball deflected sharply into the net.

After several inviting chances, Lassiter scored after a throw-in in the 60th minute.

Costa Rica drew to within 2-1 in the 75th minute on a header by Ronald Gomez. The visitors, who defeated the United States by 2-1 two weeks ago, missed several earlier chances to score when gaps opened in the middle of an American defense that employed four defenders less than cohesively.



John Mabanglo/Agence France-Presse

Roy Lassiter celebrating after he scored against the Costa Ricans.

■ Spanish and Dutch Win

Spain and the Netherlands won key matches, and Germany and Portugal played to a scoreless tie in three European World Cup qualifiers, The Associated Press reported.

On Saturday, the Netherlands defeated Belgium, 3-0, to move atop qualifying Group Seven. Wales is second, following its 0-0 draw with Turkey on Saturday, and Belgium is third.

Spain won in Valencia, 2-0, over previously unbeaten Yugoslavia. The victory left Spain with 10 points in four games in Group Six, behind Yugoslavia with 12 points in five games.

Portugal's draw with Germany in Group Nine left the European champions with five points in three games. Portugal leads the group with eight points in five games.

Northern Ireland followed its 1-1 draw with Germany by downing Albania, 2-0, in another Group Nine game.

After its 11-1 thrashing of Liechtenstein last month, Macedonia was humbled by Romania, 2-0, as the Romanians moved to the top of the Group Eight standings. Macedonia is second.

Bulgaria's 3-1 victory over Cyprus moved it into second place in Group Five. Russia leads with seven points.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	Pct	GB
Miami	18	5	.783	—
New York	15	6	.714	2
Orlando	9	10	.474	7
Washington	9	11	.450	7½
Philadelphia	7	15	.318	10½
New Jersey	5	13	.278	10½
Boston	5	13	.250	11½
CENTRAL DIVISION				
Chicago	20	3	.870	—
Detroit	16	4	.800	2½
Cleveland	14	8	.636	5½
Atlanta	13	8	.619	6
Milwaukee	12	9	.571	7
Charlotte	12	10	.545	7½
Indiana	9	11	.450	9½
Toronto	7	15	.318	12½
WESTERN CONFERENCE				
MIDWEST DIVISION	W	L	Pct	GB
Houston	20	2	.909	—
Utah	18	3	.857	1½
Dallas	8	13	.381	11½
Minnesota	8	15	.348	12½
Denver	5	19	.208	16
San Antonio	4	17	.190	15½
Vancouver	4	19	.174	16½
PACIFIC DIVISION				
L.A. Lakers	18	7	.720	—
Seattle	16	9	.640	1
Portland	13	10	.565	4
L.A. Clippers	9	14	.391	8
Golden State	8	15	.348	9
Sacramento	8	15	.348	9
Phoenix	6	18	.286	10

FRIDAY'S RESULTS

Chicago 113, New Jersey 92
Washington 108, Denver 104
Charlotte 84, Philadelphia 75
Indiana 97, Boston 94
Cleveland 101, Golden State 87
Minnesota 108, Phoenix 105
Vancouver 95, Orlando 93
L.A. Lakers 120, Portland 119, OT:

SATURDAY'S RESULTS

Toronto	21	22	13	32—	88
Miami	24	22	22	21—	89

T: Williams 8-13 0-0 18, Christie 3-12 11-13 17; M: Mourning 9-13 8-11 26, Danilovic 5-11 3-3 15, Hardaway 3-8 8-12 15. Rebounds—Toronto 45 (Rogers 8), Miami 51 (Brown 13). Assists—Toronto 14 (Christie 6), Miami 17 (Majerle, Hardaway 6).

Denver	25	22	20	15—	82
New York	23	19	23	24—	89

O: McDyess 12-17 4-4 29, L.Ellis 7-16 9-9 23; N.Y.: Childs 7-15 3-3 20, Ewing 8-20 2-4 18. Rebounds—Denver 43 (E.Johnson 11), New York 52 (Oakley, Ewing 11). Assists—Denver 18 (Jackson 11), New York 25 (Childs 9).

Philadelphia	28	17	25	19—	81
Atlanta	26	25	26	29—	106

P: Coleman 7-16 7-9 21, Weatherspoon 4-8 2-2 10, Williams 5-9 0-0 10; A: Lastner 7-13 3-3 17, Blaylock 7-10 0-1 17. Rebounds—Philadelphia 52 (Coleman 10), Atlanta 51 (Mutombo 10). Assists—Philadelphia 17 (Overton 4), Atlanta 25 (Blaylock 10).

Cleveland	22	21	21	37—	101
Minnesota	25	26	19	23—	93

C: Brandon 6-17 8-8 22, Mills 8-14 2-2 19, Phills 7-15 3-4 19; M: Guglotta 5-11 9-9 21, Garnett 6-13 7-8 19. Rebounds—Cleveland 36 (Hill 15), Minnesota 47 (Garnett 9). Assists—Cleveland 24 (Brandon 8), Minnesota 24 (Marbury 13).

Dallas	33	24	22	26—	105
San Antonio	28	26	25	25—	104

D: McCloud 9-15 4-4 28, Gatling 7-15 4-5 18; S.A.: Robinson 10-13 7-10 27, Elliott 7-12 4-6 19. Rebounds—Dallas 48 (Miller 11), San Antonio 41 (Robinson 10). Assists—Dallas 31 (Kidd 14), San Antonio 25 (Johnson 9).

Charlotte	17	26	15	24—	82
Chicago	28	28	19	28—	87

C: Rice 11-17 1-1 25, Geiger 9-13 2-3 20; C: Jordan 10-26 9-12 29, Kukoc 4-9 2-2 12. Rebounds—Charlotte 57 (Mason 15), Chicago 56 (Rodman 23). Assists—Charlotte 24 (Curry 8), Chicago 22 (Pippen, Jordan 5).

Orlando	28	16	19	13—	68
Utah	28	21	29	23—	101

O: Seikaly 7-13 9-11 23, Armstrong 5-12 4-4 16; U: Ostertag 8-13 0-0 16, Stockton 6-9 2-2 16. Rebounds—Orlando 42 (Seikaly 12), Utah 60 (Ostertag 16). Assists—Orlando 11 (Shaw 4), Utah 30 (Stockton 8).

New Jersey	33	20	23	15—	91
Milwaukee	32	29	22	18—	101

N.J.: Pack 9-20 4-7 23, Gill 10-23 1-2 21; M: Baker 12-24 3-5 27, Robinson 9-17 9-9 27. Rebounds—New Jersey 59 (Massenburg 16), Milwaukee 51 (Baker 17). Assists—New Jersey 18 (Pack 7), Milwaukee 23 (Robinson 8).

Houston	32	25	28	32—	109
Seattle	22	25	23	28—	100

H: Barkley 8-17 9-17 26, Drexler 7-13 6-6 23; S: Kemp 11-18 6-8 28, Payton 6-16 4-6 16. Rebounds—Houston 49 (Barkley 15), Seattle 44 (Kemp 10). Assists—Houston 24 (Barkley 6), Seattle 22 (Payton 5).

Sacramento	22	21	27	24—	94
L.A. Clippers	29	31	25	28—	106

S: Richmond 12-23 6-7 33, Owens 8-13 2-3 18; C: Dehere 4-9 8-8 16, Martin 0-8 15-15 15. Rebounds—Sacramento 43 (Polynice 10), Los Angeles 56 (Vaught 18). Assists—Sacramento 18 (Edney, Hurley 4), Los Angeles 19 (Martin 7).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	T	Pts	GF	GA
Florida	17	6	7	41	90	64
Philadelphia	18	12	2	38	93	84
New Jersey	16	11	2	34	79	74
N.Y. Rangers	14	14	5	33	112	93
Washington	13	16	2	28	82	85
N.Y. Islanders	10	12	8	28	81	91
Tampa Bay	10	15	3	23	79	87
NORTHEAST DIVISION	W	L	T	Pts	GF	GA
Hartford	14	9	6	34	90	89
Buffalo	15	14	2	32	89	88
Pittsburgh	14	13	3	31	107	103
Montreal	12	15	5	29	107	112
Boston	10	14	5	25	81	101
Ottawa	8	13	7	23	74	86
WESTERN CONFERENCE						
CENTRAL DIVISION	W	L	T	Pts	GF	GA
Dallas	17	10	3	37	85	73
Detroit	16	9	3	37	87	55
St. Louis	15	15	1	31	91	95
Chicago	13	16	3	29	81	83
Phoenix	12	15	4	28	78	95
Toronto	12	19	0	24	89	110
PACIFIC DIVISION	W	L	T	Pts	GF	GA
Colorado	18	9	4	40	109	69
Edmonton	14	15	3	31	103	95
Vancouver	14	14	1	29	88	94
Los Angeles	12	15	4	28	84	99
Calgary	12	16	4	28	90	85
Anaheim	11	16	5	27	90	105
San Jose	11	15	4	26	75	97

FRIDAY'S RESULTS

N.Y. Rangers 3, Buffalo 0
Phoenix 4, Ottawa 2
Chicago 4, St. Louis 1
Dallas 2, Vancouver 1
Pittsburgh 4, San Jose 0
Anaheim 5, Washington 4

SATURDAY'S RESULTS

Buffalo	1	0	3—4
Boston	0	0	0—0

First Period: B-Audette 9 (Holzinger, Galley) (pp). Second Period: None. Third Period: B-Gonsol 8 (Barnaby, Shannon) 3, B-Grosek 9 (Barnaby, Plante) 4, B-Smehlik 4 (Galley, Audette) Shots on goal: B- 7-11-14—32 B- 7-9-13—29. Goalies: B-Hasek, B-Rosford 9-9-5.

Philadelphia	2	1	1—4
Hartford	0	0	0—0

First Period: P-LeClair 18, 2, P-, Lindros 4 (Hawerchuk, LeClair) Second Period: P-Brind'Amour 11 (Hawerchuk, Kisio) Third Period: P-Brind'Amour 12 (Hawerchuk, Kisio) Shots on goal: P- 14-14-14—42. H- 5-8-0—21 Goalies: P-Snow. H-Muzzatti.

Montreal	2	1	0	0—3
New Jersey	2	1	0	0—3

First Period: M-Richer 10 (Savage, Recchi) 2, N.J.-MacLean 12 (Zelepukin, Brodeur) 3, N.J., Elias 3, 4, M-Richer 11 (Savage, Tucker) Second Period: N.J.-Guerin 10 (Stevens, Carpenter) 6, M-Tucker 2 (Quintal, Savage) (pp). Third Period: None. Overtime: None. Shots on goal: M- 11-5-4-1—21. N.J.- 15-13-12-3—43. Goalies: M-Jablonski, Thibault. N.J.-Brodeur.

Tampa Bay	0	1	0	1—2
N.Y. Islanders	1	0	0	0—1

First Period: New York, Kruse 3 (Armstrong, Palffy) Second Period: T-Gratton 9 (Cullen, Hamrlik) (pp). Third Period: T-Burr 7, 4, T-Selivanov 8 (Zamuner) 5, T-Gratton 10 (Zamuner) Shots on goal: New York 2-6-10—18. T- 13-12-11—36. Goalies: New York, Salo. T-Tabaracci.

Phoenix	2	1	2	5—5
Toronto	0	2	1	1—3

First Period: Phoenix, Manson 1 (Gartner, Ronning) (pp). 2, Phoenix, Tkachuk 13 (Johnson) Second Period: Phoenix, Roenick 6 (sh), 4 T-, Berezin 9 (Sundin, Pederson) (pp). 5, T-Warriner 4 (Ellett) (sh). Third Period: Phoenix, Ronning 3 (Gartner) 7, T-, Muller 9 (Hendrickson, Zetter) 8, Phoenix, Tkachuk 14 (Eastwood) (en). Shots on goal: Phoenix 15-12-13—40. T- 10-8-15—33. Goalies: Phoenix, Wakaluk. T-Potvin.

Colorado	0	1	0	1—1
Calgary	0	3	1	1—4

First Period: None. Second Period: C-Hogland 8 (Gagner, O'Sullivan) (pp), 2, C-Sakic 14 (Forsberg, Kamensky) (pp), 3, C-Gagner 11 (Titov, Fleury) (pp), 4, C-Fleury 15 (Simpson) Third Period: C-Reichel 6, (en). Shots on goal: C- 9-6-10—25, C- 13-12-3—28. Goalies: C-Roy, C-Rolason.

Washington	2	1	1	0—4
Los Angeles	2	0	2	0—4

First Period: L.A.-Khristich 8, 2, W-, Gonchar 5, 3, L.A.-Smyth 5 (Blake) 4, W-Bondra 14 (Pivonka) Second Period: W-Juneau 8 (Hunter, Housley) (pp). Third Period: W-Nhaslikin 6 (Miller, Eagles) 7, L.A.-Boucher 2 (Stevens, Smyth) 8, Los Angeles, Smyth 6 (Blake) Overtime: None. Shots on goal: W- 17-15-10-2—44, L.A.- 9-10-10-2—31. Goalies: W-Kolzig, L.A.-DaFoe.

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

EAST	W	L	T	Pct.	PF	PA
y-New England	10	4	0	.714	389	279
Buffalo	9	5	0	.643	285	241
Indianapolis	8	6	0	.571	269	284
Miami	6	8	0	.429	292	283
N.Y. Jets	1	14	0	.067	257	423
CENTRAL						
x-Pittsburgh	10	4	0	.714	315	214
Jacksonville	7	7	0	.500	286	305
Houston	7	7	0	.500	308	277
Cincinnati	6	8	0	.429	320	332
Baltimore	4	10	0	.286	334	390
WEST						
x-Denver	12	2	0	.857	357	240
Kansas City	9	5	0	.643	269	256
Oakland	7	7	0	.500	300	241
San Diego	7	8	0	.467	294	366
Seattle	6	8	0	.429	276	335
NATIONAL CONFERENCE						
EAST	W	L	T	Pct.	PF	PA
Dallas	9	5	0	.643	264	207
Philadelphia	9	6	0	.600	334	322
Washington	8	6	0	.571	301	275
Arizona	6	8	0	.429	254	342
N.Y. Giants	6	8	0	.429	217	257
CENTRAL						
x-Green Bay	11	3	0	.786	397	197
Minnesota	8	6	0	.571	267	267
Chicago	7	8	0	.467	264	271
Detroit	5	9	0	.357	285	313
Tampa Bay	5	9	0	.357	177	253
WEST						
y-Carolina	10	4	0	.714	322	188
y-San Francisco	10	4	0	.714	349	228
St. Louis	4	10	0	.286	255	369
Atlanta	3	11	0	.214	263	408
New Orleans	2	12	0	.143	199	382

x-clinched division title.
y-clinched playoff spot.

SATURDAY'S RESULTS

Philadelphia 21, New York Jets 20
Chicago 27, San Diego 14:

CRICKET

SOUTH AFRICA TOUR
ONE-OFF 1-DAY INTERNATIONAL MATCH
INDIA VS. SOUTH AFRICA
SATURDAY, IN BOMBAY

India: 267-6 in 50 overs
South Africa: 193 all out in 46 overs
India won by 74 runs.

LIMITED OVERS WORLD SERIES
AUSTRALIA VS. PAKISTAN
SUNDAY, IN ADELAIDE

Pakistan: 223 all out in 49.5
Australia: 211 all out in 47.5
Pakistan won by 12 runs.

Standings: Australia 4 points, Pakistan 2, West Indies 0.

ENGLAND TOUR
1ST 1-DAY INTERNATIONAL
ZIMBABWE VS. ENGLAND
SUNDAY, IN BULAWAYO

England: 152 all out (45.5 overs)
Zimbabwe: 153-8 (43.5)
Zimbabwe won by two wickets

SOCCER

WORLD CUP QUALIFIERS
CONCACAF
GROUP 1
United States 2, Costa Rica 1
Standings: United States 12 points, Costa Rica 9, Guatemala 7, Trinidad and Tobago 1.
EUROPEAN ZONE
GROUP 5
Cyprus 1, Bulgaria 3
Israel 1, Luxembourg 0
Standings: Russia 7 points, Israel 7, Bulgaria 6, Israel 4, Cyprus 3, Luxembourg 0.
GROUP 6
Spain 2, Yugoslavia 0
Standings: Yugoslavia 12 points, Spain 10, Slovakia 9, Czech Republic 4, Faroe Islands 0, Malta 0.
GROUP 7
Wales 0, Turkey 0
Belgium 0, Holland 3
Standings: Holland 9 points, Wales 7, Belgium 6, Turkey 4, San Marino 0.
GROUP 8
Macedonia 0, Romania 3
Standings: Romania 9 points, Ireland 7, Macedonia 7, Lithuania 6, Iceland 2, Liechtenstein 0.
GROUP 9
Northern Ireland 2, Albania 0
Portugal 0, Germany 0
Standings: Portugal 8 points, Ukraine 6, Germany 5, Northern Ireland 5, Armenia 3, Albania 1.

ASIA CUP
QUARTERFINALS
United Arab Emirates 1, Iraq 0
Kuwait 2, Japan 0

FRENCH FIRST DIVISION
Nantes 0, Paris St-Germain 0
Monaco 1, Cannes 0
Nancy 2, Lyon 3
Lille 1, Bastia 2
Bordeaux 2, Rennes 0
Strasbourg 0, Metz 1
Caen 4, Le Havre 0
Guingamp 0, Nice 1
Montpellier 1, Lens 0
Standings:
Monaco 45 points, Paris Saint-Germain 43, Bastia 38, Bordeaux 37, Auxerre 35, Metz 35, Strasbourg 34, Lyon 32, Nantes 31, Guingamp 29, Rennes 28, Lille 26, Marseille 27, Le Havre 25, Cannes 25, Lens 25, Montpellier 21, Caen 19, Nancy 16, Nice 16.

ENGLISH PREMIER LEAGUE
Leeds 0, Tottenham 0
Liverpool 5, Middlesbrough 1
Wimbledon 1, Blackburn 0
Sunderland 3, Chelsea 0
Standings: Arsenal 35 points, Liverpool 34, Wimbledon 34, Newcastle 30, Aston Villa 30, Manchester United 27, Chelsea 23, Everton 24, Tottenham 24, Sheffield Wednesday 24, Derby 22, Leicester 21, Leeds 21, Sunderland 20, West Ham 18, Middlesbrough 15, Blackburn 13, Southampton 13, Nottingham Forest 10, Coventry 10.

ITALIAN FIRST DIVISION
Atalanta 4, Piacenza 0
Cagliari 2, Bologna 2
Inter 3, Sampdoria 4
Juventus 3, Verona 2
Perugia 1, Lazio 2
Reggiana 0, Milan 3
Roma 1, Napoli 0
Udinese 2, Fiorentina 0
Standings: Juventus 28 points, Vicenza 22, Milan 21, Bologna 1, Internazionale 21, Roma 20, Napoli 20, Sampdoria 19, Lazio 19, Fiorentina 18, Udinese 18, Perugia 16, Piacenza 16, Parma 14, Atalanta 14, Cagliari 11, Verona 7, Reggiana 5.

RUGBY UNION

SOUTH AFRICA TOUR
TEST MATCH
WALES VS. SOUTH AFRICA
SUNDAY, IN CARDIFF

Wales 20, South Africa 37

ARGENTINA TOUR
INTERNATIONAL MATCH
ENGLAND VS. ARGENTINA
SATURDAY, IN LONDON

England 28, Argentina 18

INTERNATIONAL MATCH
SCOTLAND VS. ITALY
SATURDAY, IN EDINBURGH

Scotland 29, Italy 22

SKIING

World Cup

Results of the first men's Alpine skiing World Cup downhill of the season on Sunday in Val d'Isere, France:

1. Fritz Strobl (Austria) one minute 51.41 seconds, 2. Werner Franz (Austria) 1:51.63, 3. Patrick Ortlieb (Austria) 1:51.72, 4. Josef Strobl (Austria) 1:51.81, 5. Kristian Ghedina (Italy) 1:51.89, 6. Luc Alphand (France) 1:51.90, 7. Pietro Vitalini (Italy) 1:52.08, 8. Kyle Rasmussen (U.S.) 1:52.13, 9. Werner Perathoner (Italy) 1:52.33, 10. Andreas Schifferer (Austria) 1:52.37.

World Cup overall standings:

1. Aamodt 221 points, 2. Michael von Gruenigen (Switzerland) 207, 3. Knauss 192, 4. Thomas Sykora (Austria) 182, 5. Nyberg 168, 6. Ute Kostin (Switzerland) 165, 7. Josef Strobl 164, 8. Tom Stansen (Norway) 159, 9. Steve Locher (Switzerland) 155, 10. Christian Meyer (Austria) 140, 11. Thomas Stangassinger (Austria) 140.

THE WEEK AHEAD

Monday, Dec. 16

SOCCER, various sites, Asian cup — quarterfinals. Iran vs. South Korea, Saudi Arabia vs. China.
ICE HOCKEY, Moscow — Izvestia Cup, through Dec. 25.

Tuesday, Dec. 17

ALPINE SKIING, Madonna di Campiglio, Italy — men, FIS, Alpine World Cup, slalom.
CRICKET, Adelaide, Australia — World Series, West Indies vs. Pakistan.

Wednesday, Dec. 18

SOCCER, Ta'Qali, Malta — World Cup qualifying, Europe Group 6, Malta vs. Spain; Dubai, United Arab Emirates — soccer, Asian Cup, semifinals.
CRICKET, Bulawayo, Zimbabwe — test, Zimbabwe vs. England, first test, through Dec. 22.

Thursday, Dec. 19

GOLF, Montego Bay, Jamaica — exhibition, Johnnie Walker World Championship, through Dec. 22.
CRICKET, Wanganui, Australia — West Indies vs. Victoria, four-day exhibition match, through Dec. 22; Hobart, Australia — cricket, Pakistan vs. Tasmania, four-day exhibition, through Dec. 22.

Friday, Dec. 20

SKIING, Cesta Montana, Switzerland — women, FIS, Alpine World Cup, downhill.
GOLF, La Quinta, California — men, U.S. Senior PGA Tour, Liberty Challenge, through Dec. 22.

Saturday, Dec. 21

SKIING, Val Gardena, Italy — men, Alpine World Cup, downhill; Cesta Montana, Switzerland — women, FIS, Alpine World Cup, slalom (combined).
SOCCER, Zayed City, United Arab Emirates — Asian Cup, final, bronze-medal match; various sites — FIFA, CONCACAF, World Cup qualifying, CONCACAF semifinals, Group 1, Guatemala vs. United States; Costa Rica vs. Trinidad and Tobago.
GOLF, Dublin, Ohio — women, U.S. LPGA, Wendy's Three Tour Challenge, through Dec. 22.

Sunday, Dec. 22

ALPINE SKIING, Alta Badia, Italy — men, FIS, Alpine World Cup, giant slalom.

هكذا من الأصل

SPORTS

Duke Upsets Villanova

By Tarik El-Bashir
New York Times Service

PHILADELPHIA — It was supposed to be a coming-out party for Villanova and its freshman sensation, Tim Thomas. It was a big game, the Wildcats' first of the season. It was being played at the new Core States Center, and it was shown on national television.

But Duke made sure that there was no celebration.

Instead of rooting the Wildcats to a resounding victory, 19,213 fans — the largest college basketball crowd in Pennsylvania history — writhed in their seats as point guard Steve Wojciechowski directed 14th-ranked Duke to an 87-79 upset of fourth-ranked Villanova on Saturday.

Played on the weekend before semester finals, the game was a test for both teams. For the Wildcats (6-1), it was to be a measuring stick, their first game against a ranked opponent. For the 7-2 Blue Devils, coming off a rare home loss last weekend to Michigan, it was a chance to prove that they are a young team on the rise and should be counted as contenders this season.

"It was an excellent game for us," said Duke's coach, Mike Krzyzewski. "We feel fortunate to have beat them. We realize that they are probably a better team than we are."

Wojciechowski, who leads the Atlantic Coast Conference in steals and is second in assists, finished with 13 points, 8 assists and 2 steals.

While Thomas did not play exceptionally poorly, he did not have the impact on the game that he was expected to. He shot 5 for 10 from the field and finished with 14 points, but 8 of his points did not come until the final minutes, after the Blue Devils had the victory in hand.

Thomas's disappointing performance was partly caused by a strained calf muscle he sustained in the Wildcats' victory over Pennsylvania on Tuesday. He did not practice last week because of the injury, and said after the game that it was a major distraction.

"It's throbbing right now," Thomas said. "I wasn't 100 percent. I was trying to keep it out of my mind, but it hurt a lot."

Villanova's coach, Steve Lappas, gave Duke's swarming man-to-man defense the credit for the loss. The Blue Devil defense played consistently from start to finish, holding Chuck Kornegay, the Wildcats' leading scorer last season, to 9 points. Duke's defense has held opponents to 38.4 percent shooting from the field and forced 19.8 turnovers per contest. Villanova shot 43.3 percent, hitting 26 of 60, compared with Duke's 45.1 percent (23 of 51).

"We got outplayed from beginning to end," Lappas said. "And it had everything to do with their defensive pressure. We couldn't even get into our offense."

Kornegay, who has been slowed by a nagging ankle injury this season, did not play against Pennsylvania but started on Saturday. Kornegay injured the ankle last season and had off-season surgery, but he reinjured it this season.

Forward Ricky Price, who deserved much of the credit for containing Thomas, led the Blue Devils with 17 points and 6 rebounds. He made 3 of 4 from 3-point range.



Scott Olson/Reuter

Charlotte's Vlade Divac grabbing a rebound from Chicago's Dennis Rodman as the Bulls' Michael Jordan looks on. The Bulls won, 87-82.

Bulls Top the Hornets

Rodman Back With 23 Rebounds

The Associated Press

Dennis Rodman returned from his two-game suspension and grabbed a season-high 23 rebounds as the Chicago Bulls defeated the visiting Charlotte Hornets, 87-82.

Michael Jordan scored 29 points on Saturday night, and Toni Kukoc made a 3-pointer with 1:52 left to break a 78-all tie. The Bulls improved to 20-3 despite shooting only 36 percent.

Matt Geiger personally kept Charlotte in the game, scoring 18 of his 20 points in the fourth quarter.

Glen Rice had 25 points and Anthony Mason added 15 rebounds for the Hornets.

Spurs 106, Mavericks 105 In San Antonio, David Robinson scored 27 points, his most since returning from the injured list, and made the game-winning basket to lead San Antonio past Dallas.

Robinson drove to the basket and gently laid the ball in to put the Spurs

NBA Roundup

ahead by 106-105 with 8.5 seconds left in the game.

The Mavericks had a chance to win, but Jason Kidd tripped bringing the ball up the court. He recovered the ball and got it to George McCloud, whose 3-point attempt bounced off the rim as time expired.

Cavaliers 101, Timberwolves 93 Cleveland held host Minnesota to 18 percent shooting in the final quarter and rallied to defeat the Timberwolves.

Tyrone Hill tied a season-high with 15 rebounds, and Terrell Brandon scored 18 points, including 12 in the fourth quarter, as Cleveland won for the second night in a row.

Hawks 106, 76ers 81 In Atlanta, Dikembe Mutombo had his fourth double-double of the season and Mookie Blaylock had his second as Atlanta defeated Philadelphia.

Mutombo had 13 points, 10 rebounds and 6 blocks, while Blaylock had 17 points and 10 assists in helping the Hawks to their eighth straight home victory and fifth in six games overall.

All five Hawks starters scored in double figures. Christian Laettner had 17 points and 7 rebounds. Steve Smith added 16 points and Tyrone Corbin 13.

Derrick Coleman led the 76ers with 21 points and 10 rebounds.

Knicks 89, Nuggets 82 Chris Childs scored 20 points and Patrick Ewing had 18 as New York extended its winning streak to six games and sent visiting Denver to its 10th straight loss.

The Knicks' streak is their longest of the season. They improved their record to 15-6 and stayed two games behind Miami in the Atlantic Division.

Denver, which has not won since Nov. 26, is having its longest losing streak since 1992-93.

Charles Oakley, who finished with nine points, and Ewing each had 11 rebounds.

Heat 89, Raptors 88 In Miami, Alonzo Mourning scored 26 points, and Tim Hardaway made three free throws in the final 12 seconds as Miami beat Toronto.

It was the 13th win in 14 games for the Heat, who got 15 points apiece from Hardaway and Sasha Danilovic. Miami improved to 13 games over .500 (18-5) for the first time in franchise history.

The Raptors, who were led by Walt Williams' 18 points, have lost all eight of their road games this season. Doug Christie scored 17 points for Toronto, and Carlos Rogers added 15.

Bucks 101, Nets 91 Glenn Robinson and Vin Baker scored 27 points apiece as host Milwaukee beat New Jersey for its second straight victory.

The Bucks have won four of their last five games, including three of four at home this week. The Nets, who lost their second straight, were led by Robert Pack with 23 points and Kendall Gill with 21.

Jazz 101, Magic 68 Greg Ostertag scored 16 points, grabbed 16 rebounds and blocked five shots as host Utah handed Orlando its worst loss of the season.

John Stockton also scored 16 points in just 25 minutes and Antoine Carr and Howard Eisley each scored 14 as the Jazz coasted to their 16th triumph in their last 17 games.

Orlando, playing without the injured Anfernee Hardaway for the second straight game and second straight loss, was led by Rony Seikaly with 23 points and 12 rebounds.

Rockets 109, SuperSonics 100 In Seattle, Charles Barkley led a balanced attack with 26 points and 15 rebounds as Houston ended a 13-game losing streak against Seattle.

Clyde Drexler added 23 points for the Rockets, who have the best record (20-2) in the NBA. The Sonics lost their third straight game and their sixth in their last eight games.

Clippers 106, Kings 94 Bill Fitch gained his 900th NBA coaching victory as Terry Dehere scored 16 points and Loy Vaught grabbed a season-high 18 rebounds in the Los Angeles victory over visiting Sacramento.

Fitch, who has accumulated a league-record 1,009 losses since making his debut in 1970-71 with Cleveland, joined Lenny Wilkins, Red Auerbach and Dick Motta as the only coaches to reach the 900-win plateau.

Overcoming Skeptics, Wuerffel Wins Heisman Trophy

By Malcolm Moran
New York Times Service

NEW YORK — The Product became more famous than the System.

Danny Wuerffel, the University of Florida quarterback whose achievements have been considered a by-product of his team's innovative offense, stood alone Saturday night as the winner of the 62nd Heisman Trophy. He received 1,363 points, 189 more than Troy Davis, the running back from Iowa State. Jake Plummer, the quarterback of Arizona State, was third, ahead of Orlando Pace, the offensive tackle from Ohio State.

Wuerffel overcame the skepticism of voters wary of inflated offensive statistics in college football's modern era, who had produced an explanation for his success. He was a product of the System, an effective quarterback with the delivery of a shot-putter who became a beneficiary of Coach Steve Spurrier's bold, complex offense.

Thirty years after Spurrier, the Florida coach, won his Heisman Trophy in his senior season as a Gator, Wuerffel became the second Gator and eighth player from the Southeastern Conference to earn the stubby, bronze player with the recognizable stiff-arm.

The unfavorable assessment began to change after Florida's victory at Tennessee on Sept. 21. Playing behind an offensive line that was changed throughout the season because of injuries and suspensions, Wuerffel became the first quarterback to exceed a pass-efficiency rating of 170 in consecutive seasons. He set an conference record with 3,625 passing yards. He led the nation with 39 touchdown passes.

In a season that has seen a number of outstanding performances — Plummer's improvisation and leadership in Arizona State's perfect season; the encore of Iowa State's Davis, whose 2,185 yards made him the first player to twice break through the 2,000 barrier, and the play of Ohio State's Pace, who has all but redefined the position of offensive tackle — Wuerffel came to be acknowledged by many as the leader.

"I think with the media there is a tendency to make everybody better than they are, or to bring out the worst in people," he said.

"Fortunately for me, I guess you could say people have really built me up and said so many nice things about me so many times I think I'm unworthy of it."

Florida's renewed opportunity to earn its first national football championship, on what the Gators hope will be a redemptive night in the Sugar Bowl on Jan. 2, has already been defined with Wuerffel playing a central role.

Spurrier has repeatedly insisted that Florida State's late hits on Wuerffel during Florida's loss to the Seminoles Nov. 30 should not be tolerated when the rivals meet in their rematch in New Orleans.

A Florida victory would give the Gators the championship if Ohio State defeats Arizona State in the Rose Bowl.

The Heisman label will make Wuerffel a focal point.

"Coach Spurrier has been through that," Wuerffel said. "He has seen the effects of different things on athletes throughout the years. He has done a great job of getting us all prepared for that."



Andy Clark/Reuters

The Maple Leafs' Matt Martin losing his balance while chasing Oleg Tverdovsky of the Coyotes in Toronto.

Flyers Rout Whalers, 4-0, to Extend Streak

The Associated Press

Rod Brind'Amour had two goals and Garth Snow made 21 saves to earn his first NHL shutout as the Philadelphia Flyers beat the Hartford Whalers, 4-0.

Dale Hawerchuk had three assists and John LeClair a goal and an assist on Saturday night for visiting Philadelphia, which picked up its second victory in three nights over Hartford in the home-and-home series.

John LeClair and Eric Lindros also scored for the Flyers, who are 6-0-1 in their last seven games. The Northeast Division-leading Whalers lost back-to-back games for just the second time this season, and the first time since Nov. 2-4.

Sabres 4, Bruins 0 In Boston, Dominik Hasek turned back 29 shots for his 19th career shutout, and Michal Grosek scored two goals as the Sabres beat the Bruins.

The Bruins lost their all-star defenseman, Ray Bourque, to a strained muscle in his side, which he injured in the first period.

Hasek's saves included a breakaway scoring chance by Andre Roy in the third period, as he handed the beleaguered Bruins their fifth straight winless game in their five-game homestand.

Canadiens 3, Devils 3 Stephane Richer scored two goals against his former team, and Brian Savage had three assists for visiting Montreal as the Canadiens and Devils played to a tie.

Darcy Tucker scored the tying goal late in the second

NHL Roundup

period for Montreal, which has won only twice in its last eight (2-4-2).

Pat Jablonski started in goal for the Canadiens, but was pulled after yielding first-period goals to John MacLean and Patrik Elias.

Jocelyn Thibault came on in relief and gave up only one goal, a second-period score by Bill Guerin.

Lightning 4, Islanders 1 Shawn Burr and Alex Selivanov scored 51 seconds apart early in the third period as Lightning beat the Islanders at Tampa Bay.

Chris Gratton added two goals as the Lightning won at home for the first time since Nov. 19. They are 1-4-1 in their last six at home.

The Lightning, who outshot the Islanders by 36-18, are undefeated in their last four games (3-0-1). They have won 10 of the last 11 meetings between the teams. New York had a three-game winning streak snapped.

Coyotes 5, Maple Leafs 3 In Toronto, Keith Tkachuk scored twice, and Phoenix took advantage of a mistake-prone Toronto defense to beat the Maple Leafs.

Dave Manson, Jeremy Roenick and Cliff Ronning also scored for the Coyotes, who completed a six-game road trip with a 4-2-0 record. Sergei Berezin, Todd Warriner and Kirk Muller scored for Toronto.

Darcy Wakaluk improved to 6-1-1 in his eighth goaltending appearance. Felix Potvin took the loss, dropping to 10-15-0.

Capitals 4, Kings 4 Brad Smyth's second goal of the game tied the score with 26 seconds to go in regulation play as host Los Angeles scored twice in the last three minutes to gain a tie with Washington.

Trailing by 4-2 with 2:29 left in the third period, the Kings pulled their goaltender, Byron Dafoe. The strategy paid off as Philippe Boucher scored the third goal for the Kings with 1:29 left. Los Angeles again pulled Dafoe with 50 seconds to go, and this time Smyth responded with the tying goal.

Joe Juneau's power-play goal had given the Capitals a 3-2 lead at 12:57 of the second period.

Flames 4, Avalanche 1 Dave Gagner had a goal and an assist to lead Calgary to a victory over visiting Colorado, which lost Peter Forsberg, its star center, to a knee injury.

With the score tied, 1-1, five minutes into the second period, Forsberg tried to cut to the front of the Calgary net as he skated hard down the left wing.

As Forsberg tried to duck past a defenseman, Todd Simpson, the Flames' rookie stuck out his left leg, locking knees with the Avalanche's leading scorer and sending Forsberg crashing to the ice.

Forsberg limped off the ice, noticeably favoring an injured knee, and went directly to the dressing room not to return.

THIS WEEK ON EUROSPORT

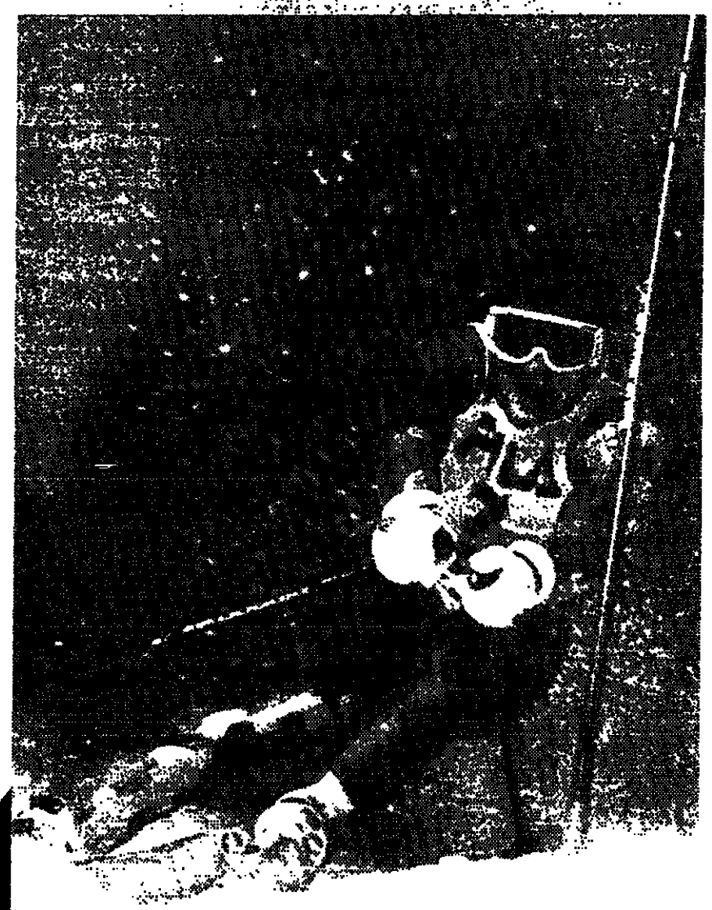
Alberto Tomba makes a belated entry onto the World Cup Tour at Madonna di Campiglio, Italy, after a pre-season injury; can he send the passionate Italian crowd into orbit by coming back with a slalom victory?

Alpine Skiing:
17 - 22 December, LIVE, The World Cup Tour
It's a busy week for both the men's and women's tour as they visit Madonna di Campiglio, Crans Montana, Val Gardena, Alta Badia and Morzine

Triathlon:
19 December, The Hawaii Iron Man
The most famous and grueling race in the world of athletics features a 2.4 mile swim, a 112 mile bike ride and 26.2 mile run

Showjumping:
19 - 22 December, LIVE, The Volvo World Cup, Olympia, London
The best showjumpers in the world meet in London for one of the most important events of the season

Football:
18 December, World Cup Qualifying
Some of the best action so far in the battle to qualify for the World Cup Finals



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BOXING Low Blows Sink Golota Again p. 22 **RUGBY** Springboks Leap p. 22 **BASKETBALL** Rodman Returns p. 23

TOMORROW STYLE

Herald International Tribune
SPORTS

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WORLD ROUNDUP

Victory for Kuwait

ASIAN CUP SOCCER With the possibility of playing Iraq already eliminated, Kuwait got goals in each half from Jassem Al Howaidi to upset defending champion Japan, 2-0, on Sunday to advance to the semifinals of the Asian Cup in Al Ain, United Arab Emirates.

Al Howaidi gave Kuwait the lead in the 17th minute and finished off the Japanese in the 54th, putting Kuwait in the semifinals for the fourth time, but the first since 1984, when it finished third on home soil. The victory set up a semifinal meeting Wednesday with the host United Arab Emirates, which beat Iraq, 1-0, in extra time earlier in the day. *(AP)*

Zimbabwe Stuns England

CRICKET Zimbabwe stunned England in the first one-day cricket international of the English tour on Sunday, winning by two wickets in a tight match at Queen's Sports Club in Bulawayo, Zimbabwe.

The home team got England out for 152 and seemed set for a comfortable victory, but it turned into a tough battle as most Zimbabwe batsmen were easily dismissed.

Zimbabwe crept toward the required total, but had only two wickets in hand in the end after a near collapse. There were six overs to spare when the match ended. *(AP)*

Maldini to Coach Italy

SOCCER Cesare Maldini, 64, who led Italy's Under-21 soccer team to three straight European titles but who was criticized for a poor showing at the Atlanta Olympic Games, was named head coach of Italy's national team on Sunday.

A player for the team in the 1960s, whose son, Paolo, is its current captain, Maldini replaces Arrigo Sacchi, who resigned on Dec. 1 to rejoin the AC Milan club. The selection was announced by the Italian soccer federation after Sunday's Italian first-division league games. (Page 22)

Maldini had been considered the likely choice. The federation did not name Maldini's replacement as Under-21 coach.

Maldini's first test will be Italy's crucial World Cup qualifying match against England at Wembley Stadium on Feb. 12. He faces several key lineup decisions, including rebuilding a suspect defense anchored by his son. *(AP)*

Dutch Defeat Pakistan

HOCKEY The Netherlands launched an early assault to beat the World Cup hockey champion, Pakistan, 3-2, in the Champions Trophy final Sunday in Madras, India. The Dutch, the only unbeaten team in the tournament, recaptured the trophy after a 14-year gap by seizing a 3-0 lead in the first 20 minutes. *(Reuters)*

Stellar Day for Voelker

SWIMMING Sandra Voelker won her fifth gold medal and anchored a German relay to a world-best time on the final day of the European sprints and short-course championships on Sunday in Rostock, Germany. Voelker, who set European records in the 100- and 50-meter freestyle on Friday and Saturday, claimed her third individual gold in the 50-meter backstroke, winning in 27.94 seconds, ahead of teammate Antje Buschschulte at 28.55.

The two later joined with Sylvia Gerasch and Julia Voitowitsch to win the women's 4x50 medley relay in 1:51.79, beating the previous world best of 1:52.44 set by another German quartet in Espoo, Finland, in November 1992. *(Reuters)*

Austrians Dominate the Downhill

The Associated Press

VAL D'ISERE, France — Fritz Strobl paced an Austrian sweep of the top four places as he won a World Cup downhill Sunday, barreling down the mountain late in the race as conditions became faster.

Strobl sped down the icy 3.4-kilometer (2.1-mile) Oreiller-Killy course in 1 minute 51.61 seconds, edging Werner Franz by .02 seconds. Patrick Ortlieb was third at 1:51.72, with Josef Strobl, no relation to Fritz and the surprise 1994 winner here, fourth at 1:51.81.

Fritz Strobl started at No. 43, well outside the top group that included Franz and Ortlieb.

It was the first career World Cup victory for Fritz Strobl, whose previous best was a 16th in a super-G. He was the super-G season winner last season in the Europa Cup, the second-level ski circuit.

It was the 10th time in World Cup history that the Austrians had swept at least the top four places in a race, a feat they have accomplished more than skiers from other country.

The Austrians were also strong in the only training run, taking the top six spots and 9 of the top 11.

In 1994, Austria also took the top four places in the second Val d'Isere downhill, when Armin Assinger won a day after Josef Strobl captured the first part of a double downhill.

Kristian Ghedina of Italy was fifth in 1:51.89, just .01 ahead of Luc Alphand of France, last year's winner here.

Alphand said he was not disappointed with his finish. "I'm still in the top group," he said. "If I have to win just one race, I would like it to be in Sestriere," in Italy, where the world championships will be held in February.

In seventh place was another Italian, Pietro Vitalini, with a time of 1:52.08. Kyle Rasmussen of the United States was eighth at 1:52.33.

Another American, A.J. Kitt, who won here in 1991, was 12th at 1:52.44.

Conditions were nearly perfect after problems had affected the training runs and Saturday's race. The bright conditions and cold, icy trail resulted in times that were, on average, over five seconds faster than those Saturday when fog ended the competition after only 17 racers. Josef Strobl led at the time the race was called off.

Lasse Kjus of Norway, the overall champion last year, had to withdraw from the race with a bout of flu and bronchitis. Norwegian team officials said. Kjetil-Andre Aamodt of Norway still has the overall lead for the season after six races, but finished far down in Sunday's race.

A scheduled men's super-G race was postponed until Monday. There is also a scheduled slalom in Madonna di Capiglio, Italy, on Tuesday.

Weather has affected the four World Cup races scheduled this week. A women's super-G was held on Thursday but heavy snow canceled a women's giant slalom Friday as well as a men's downhill training. Last week, poor weather in Whistler Mountain, British Columbia, canceled a downhill and a super-G.

■ Finns Lead in Colorado

The World Cup points leaders, Sampaa Lajunen and Jari Mantila of Finland, put together two solid jumps to take a small lead over the American skiers Tim Tetreault and Todd Lodwick in the 120-meter jumping portion of a World Cup Nordic combined two-man sprint relay in Steamboat Springs, Colorado, The Associated Press reported.

Lajunen, 17, jumped 113 and 113.5 meters while Mantila went 115.5 and 97.5 meters for 222.2 points in the two-man sprint relay on Saturday. Tetreault, a two-time Olympian, and Lodwick had 217.9 points for their four jumps on Howelsen Hill.

The Finns were to start 18 seconds ahead of the Americans on Sunday in the cross-country, tag-team relay over 15 kilometers on Sunday.

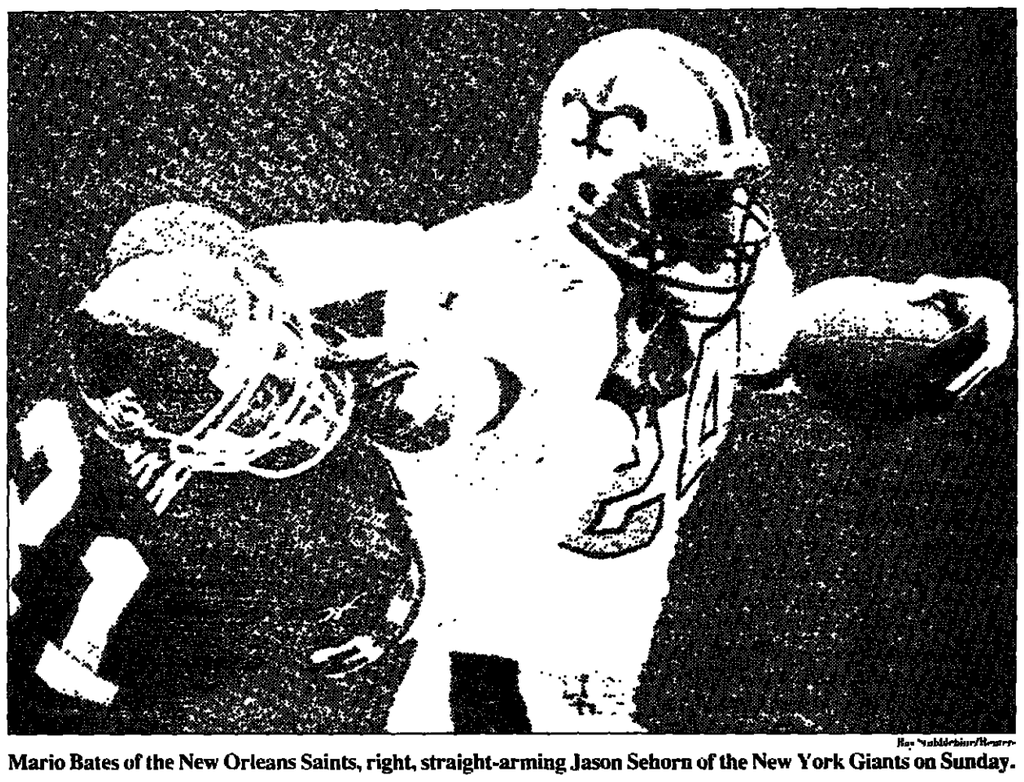
The Finnish coach, Jyri Pelkonen, handicapped the field for Sunday's race. "Look how close they are — seven teams in the first minute after my guys and then three more in the next 30 seconds," he said.

In the 15-kilometer cross-country portion of the event, the teams, with start times decided according to a handicap formula based on jumping, will race over a hilly 1.5-kilometer course. Each skier races five loops.



Alessandro Trovati/The Associated Press

Austria's Fritz Strobl on his way to victory Sunday in Val d'Isere.



Ray Stubblebine/Reuters

Mario Bates of the New Orleans Saints, right, straight-arming Jason Sehorn of the New York Giants on Sunday.

Late Gold for Goitschel

Skier Gets '66 Medal for a Most Unusual Reason

The Associated Press

VAL D'ISERE, France — Marielle Goitschel of France has finally been awarded the world championship downhill gold medal after the woman that beat her in 1966 turned out to be a man.

Goitschel received the medal from the International Ski Federation president, Marc Hodler, in a ceremony Saturday in Val d'Isere, the site of World Cup races this week.

In the 1966 World Alpine Skiing Championships in Portillo, Chile, Goitschel won the giant slalom and combined, and came in second in the slalom. In the downhill, she was runner-up to Austria's Erika Schinegger.

But Schinegger discovered through medical tests carried out later in her career that she was in fact a man, according to her autobiography published in 1988. During the 1968 Olympics at Grenoble, France, doctors detected only male hormones in Schinegger's saliva. Alarmed, they examined further and discovered that Schinegger suffered from an abnormality in which his male sexual organs had developed inside him.

Schinegger underwent corrective surgery, married and became a father. He now lives in Austria.

Schinegger gave his gold medal to Goitschel in 1988, but the sport's governing body never officially changed the result — until now.

"I would like to say a few words about Erik Schinegger, who has suffered a lot," Goitschel said Saturday. "I have moving thoughts of him now, and I am very proud to be his friend."

Goitschel went on to take a gold medal in the slalom in the 1968 Winter Olympics to add to a gold medal in the giant slalom from the 1964 Winter Olympics and a silver medal in the 19[illegible] slalom.



Eric Gaillard/Reuters

Marielle Goitschel holding the medal that Erika Schinegger won.

Cowboys Defeat Patriots to Take 5th Straight NFC East Crown

The Associated Press

The NFL's top-ranked defense and kicker, Chris Boniol, the only constants in a chaotic season of suspensions and injuries, carried the defending Super Bowl champion Dallas Cowboys to a record fifth straight NFC East title on Sunday.

Boniol kicked four field goals, and the Dallas defense produced three interceptions, a fumble recovery and two critical fourth-down stops as the host Cowboys defeated the New England Patriots, 12-6.

Dallas (10-5) has one game left at Washington, while the Patriots (10-5) had already clinched a playoff berth. New England can clinch the AFC East with a victory against the New York Giants next Sunday or if Buffalo loses to Miami on Monday night.

Rams 34, Falcons 27 Eddie Kennison caught five passes for 226 yards, including three long touchdowns, and the Rams made a bid to save coach Rich Brooks' job with a victory over the host Falcons.

Isaac Bruce set an NFL record for most receptions in the first three years of a career. The Rams' Pro Bowler caught two passes to give him 216 for his career, breaking the mark of 215 set by Andre Rison from 1989-91.

The St. Louis receivers were about the only bright spot in a sloppily played game befitting two of the NFL's worst teams. St. Louis quarterback Tony Banks fumbled four times and threw an interception, while Atlanta's Bobby Hebert was picked off six times.

Packers 31, Lions 3 Desmond Howard broke the game open with a 92-yard punt return for a touchdown, his third this season, as the Packers beat the host Lions.

The Packers (12-3), riding a four-game winning streak, had already clinched a second straight NFC Central title. They can clinch home-field advantage throughout the playoffs with a victory in their final game, against Minnesota next week, coupled with a Carolina loss or tie. The Lions (5-10) lost for the eighth time in the last nine games.

NFL ROUNDUP

49ers 25, Steelers 15 The 49ers scored 16 points in barely five minutes in a stadium where a visiting team had not won in 13 games, dominating the host Steelers in a one-sided matchup of Super Bowl hopefuls.

Steve Young threw three first-half TD passes — the first TDs against Pittsburgh's defense at home in 13 quarters — as the 49ers (11-4) turned a fumbled punt, a safety and a 43-yard pass interference penalty against Pro Bowl cornerback Rod Woodson into a rapid-fire 16-0 lead.

Pittsburgh's offense, with Mike Tomczak having yet another error-filled game, was not in position to catch up, not even with the Steelers (10-5) in position to bypass New England (10-5) for a first-round bye in the AFC playoffs.

Saints 17, Giants 3 The Saints (3-12) gave the Giants' management another reason to get rid of Dan Reeves in beating New York. Mario Bates and Lorenzo Neal ran for touchdowns and the Saints defense limited New York to 138 yards — just 36 in the second half. It forced four turnovers and sacked Dave Brown and rookie Danny Kanell seven times in ending a seven-game losing streak.

Panthers 27, Ravens 16 In Charlotte, Kerry Collins rebounded from a shaky first half by leading the Panthers to 10 third-quarter points, rallying Carolina to victory over Baltimore.

The Panthers (11-4) extended their franchise-record winning streak to six and stayed in first place in the NFC West. A victory in their regular-season finale against Pittsburgh would give the Panthers the division title and at least their first playoff game at Ericsson Stadium, where Carolina has been overpowering.

Baltimore was up 13-10 at halftime, marking the 10th consecutive game in which the Ravens have held a second-half lead. Their record in those games fell to 2-8.

Vikings 21, Buccaneers 10 Minnesota held visiting Tampa Bay to eight first downs, just one in the first half, and used two touchdown runs by Leroy Hoard to ride to victory.

It was just the fourth loss in the last six games for Tampa (5-10) and it spoiled Tony Dungy's return to Minnesota, where he served as defensive coordinator for four seasons until taking over in Tampa this season.

In games played Saturday:

Eagles 21, Jets 20 Michael Zordich's two interceptions set up touchdowns as the Eagles stormed back for a 21-20 victory. That kept Philadelphia (9-6) in strong position for a playoff berth.

Bears 27, Chargers 14 Dave Krieg threw three touchdown passes to lift the Bears over San Diego.



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